THE INFLUENCE OF TALENT MANAGEMENT ON STRATEGY

Mfundo Piti
9925144

Masters in Business Administration (MBA)
in the
Faculty of Business and Economic Sciences
of the
Nelson Mandela Metropolitan University

September 2010
DECLARATION

“I, Mfundo Piti, hereby declare that:

• The work in this dissertation is my own original work;

• All sources used to have been documented and recognised; and

• The dissertation is my own work and has not been submitted for any degree or examination in any other university”.

Mfundo Piti .......... Date..........
ABSTRACT

Research indicates that effective talent management is essential in achieving organisational excellence and is a driving force for business success. This study focused on investigating VWSA Group Service division’s employee talent management process as seen or perceived by employees. The employee attitude and understanding of the 2010 strategy was also evaluated. In achieving this objective a literature review on talent management was conducted and questions formulated which formed part of the survey. The questionnaire was self-administered and sent to the stratified random sample of individuals who were eligible for survey.

The main findings of this research are that the 2010 strategy was well received by the employees and that seventy seven percent of the respondents who took part in the study do understand the 2010 strategy and what it is all about. The study also highlighted that employees believe Project 1 in the 2010 strategy will be achieved. Employees were uncertain that compensation and leadership style are variables that influence or promote talent management.

From the literature review it is explained that in order for talent management to be effective it must be aligned to organisational strategy. Various recommendations were made, for example conducting of skills gap analysis with a view to identify skills employees need to possess in order to meet the objectives of the 2010 strategy. Another recommendation was the formation of talent pools from which to recruit high talented staff and whose skills will be required to meet the objectives of the organisational strategy.

A final point emanating from the study, is that when it comes to talent management and achieving organisational strategy it is not business as usual. Companies need to be aware of brand profiles most desired by highly talented individuals; they also need to be aware of various recruiting strategies as well as acknowledge that different employees are at different levels of the motivational hierarchy.
ACKNOWLEDGEMENTS

It is with sincere and deep gratitude that I acknowledge the following people who have supported, guided and encouraged me immensely towards the successful completion of this treatise:

- My dear loving wife Noxolo Piti for being so patient, supportive and understanding when I had to put in late nights compiling the treatise;

- My two sons Chumani and Zenande Piti, you guys are the reason I persevered;

- Dr Margaret Cullen of Nelson Mandela Metropolitan University Business School (Family Unit) for the guidance, tolerance and willingness to share your knowledge;

- The library staff at the NMMU Second avenue for always willing to assist; and

- My colleagues at Volkswagen South Africa Group Service division for taking part in this study.
TABLE OF CONTENTS

Declaration i
Abstract ii
Acknowledgements iii

Table of contents iv
List of figures viii
List of charts ix
List of tables ix
List of appendices x

Chapter 1

INTRODUCTION, PROBLEM STATEMENT AND OUTLINE OF THE RESEARCH PROJECT

1.1 INTRODUCTION 1
1.2 PROBLEM STATEMENT 2
1.3 MAIN PROBLEM 4
1.4 DELIMITATIONS OF THE RESEARCH 4
1.5 OBJECTIVES 4
1.6 REASONS AND SIGNIFICANCE OF THE RESEARCH 5
1.7 OUTLINE OF THE STUDY 6
1.8 CONCLUDING REMARKS 6
2. VOLKSWAGEN GROUP
2.1 ABOUT VOLKSWAGEN SA
2.2 HISTORY OF VOLKSWAGEN SA
2.3 VOLKSWAGEN BRAND CLAIM: DAS AUTO
2.4 VOLKSWAGEN 1:10:100 BY 2010 STRATEGY
2.5 SOUTH AFRICAN MOTOR INDUSTRY
2.6 GROWTH IN THE INDUSTRY
2.7 INVESTMENT
2.8 MIDP
2.9 AUTO COMPONENT MANUFACTURER
2.10 VWSA MARKET POSITION IN INDUSTRY
2.11 ON VEHICLE SALES
2.12 ON VEHICLE SERVICING
2.13 OVERALL INDEX (SERVICE AND SALES)
2.14 CONCLUSION
Chapter 3

LITERATURE REVIEW ON TALENT MANAGEMENT

3.1 INTRODUCTION 20
3.2 DEFINITION OF TALENT MANAGEMENT 21
3.3 ATTRACTING AND SOURCING TALENTEd EMPLOYEES 21
3.4 EMPLOYEE TALENT MANAGEMENT 25
3.5 RETAINING TALENTEd EMPLOYEES 28
3.6 CONCLUSION 34

Chapter 4

RESEARCH METHODOLOGY, SAMPLE DESIGN AND DATA COLLECTION METHODS

4.1 INTRODUCTION 35
4.2 RESEARCH PARADIGM 36
4.3 SAMPLE DESIGN 37
4.4 DETERMINANTS OF RESPONSE RATE 44
4.5 DATA COLLECTION METHODS 46
4.6 DEVELOPING QUESTIONNAIRE 48
4.7 QUESTIONNAIRE COVERING LETTER 50
4.8 CONCLUSION 50
Chapter 5

ANALYSIS OF BIOGRAPHICAL INFORMATION, INTERPRETATION OF EMPIRICAL RESULTS, SUMMARY AND MEANING OF THE RESULTS

5.1 INTRODUCTION 51
5.2 RESPONSE RATE 51
5.3 ANALYSIS OF RESPONDENTS BIOGRAPHICAL INFORMATION 54
5.4 ANALYSIS OF RESPONDENTS ATTITUDE TOWARDS 2010 STRATEGY 59
5.5 ANALYSIS OF RESPONDENTS JOB INFORMATION 64
5.6 ANALYSIS AND INTERPRETATION OF TALENT MANAGEMENT RESULTS 67
5.7 RELIABILITY AND VALIDITY OF RESULTS 74
5.8 COMPARISON OF MEANS AND STANDARD DEVIATIONS OF THE VARIABLES OF TALENT MANAGEMENT 75

Chapter 6

SUMMARY RECOMMENDATIONS AND CONCLUSION

6.1 INTRODUCTION 77
6.2 RESOLUTION OF THE MAIN PROBLEM 77
6.3 PROBLEMS AND LIMITATIONS 78
6.4 SUMMARY OF RESEARCH FINDINGS 78
6.5 RECOMMENDATIONS 80
6.6 CONCLUDING REMARKS 80
6.7 LIST OF SOURCES 81
LIST OF FIGURES

Figure 2.1 Organogram of VWSA Leadership 8
Figure 2.2 Vehicle Sales CCSI and CSI Ranking 16
Figure 2.3 Vehicle Service CCSI and CSI Ranking 17
Figure 2.4 Overall Index (Sales and Service) 18
Figure 3.1 Brand profile most desired by high value talent 18
Figure 3.2 Strategic framework for employee recruitment 22
Figure 3.3 Illustration of Talent Management Process 24
Figure 3.4 Traditional approach to Talent management process 25
Figure 3.5 Illustration of Maslow’s hierarchy of needs 32
Figure 4.1 Group service population by gender 38
Figure 4.2 Group service population by level 38
Figure 4.3 Supervisors by gender 39
Figure 4.4 Managers by gender 39
Figure 4.5 Sample size for given population sizes 42
Figure 5.1 Number of employees surveyed 51
Figure 5.2 Number of responses received before due date 52
Figure 5.3 Number of responses received after due date 53
Figure 5.4 Number of responses according to gender 54
Figure 5.5 Age distribution of respondents 56
Figure 5.6 Race of respondents 57
Figure 5.7 Respondents education level 58
Figure 5.8 Respondents extent of understanding of 2010 strategy 59
Figure 5.9 Respondents extent of excitement about the 2010 strategy 60
Figure 5.10 Respondents belief that Project 1 will be achieved 61
Figure 5.11 Respondents belief that their work contributes to Project 1 62
Figure 5.12 Respondents pride in telling outside people about Project 1 63
Figure 5.13 Respondents years of experience in the company 64
Figure 5.14 Respondents level of management within the division 65
Figure 5.15 Respondents by department 66

LIST OF CHARTS

Chart 5.1 Number of employees surveyed 52
Chart 5.2 Number of responses received before due date 53
Chart 5.3 Number of responses received after due date 53
Chart 5.4 Number of responses according to gender 55
Chart 5.5 Age distribution of respondents 56
Chart 5.6 Race of respondents 57
Chart 5.7 Respondents education level 58
Chart 5.8 Respondents years of experience in the company 64
Chart 5.9 Respondents level of management within division 65
Chart 5.10 Respondents by department 66

LIST OF TABLES

Table 5.1 Means and standard deviations for the influence training and development have on employee talent management 69
Table 5.2 Means and standard deviations for the influence employee compensation have on employee talent management 70
Table 5.3 Means and standard deviations for the influence organisational culture have on employee talent management 71

Table 5.4 Means and standard deviations for the influence leadership style have on employee talent management 72

Table 5.5 Means and standard deviations for the influence employee engagement have on employee talent management 73

Table 5.5 Comparisons of means and standard deviations of the variables that influence employee talent management 74

LIST OF APPENDICES

Appendix ‘A’  Covering Letter 90

Appendix ‘B’  Questionnaire 91
CHAPTER ONE
INTRODUCTION TO THE STUDY

1.1. INTRODUCTION

South African organisations have some unique challenges when it comes to attracting and retaining people. In order to be innovative, step number one is to get the right people in the door. Getting the right people in the door involves accessing talent, selecting talent, incentivising talent and orientating talent (Fisher & Davey, 2007).

It is important that recruiters maintain a strategic approach to recruitment, which implies that job descriptions and job specifications, among other things, must be in line with general strategic direction of the organisation (Swanepoel & Erasmus 2003:277). There are now wide variations in recruitment and selection practices, reflecting an organisation’s strategy and its philosophy towards the management of people (Bratton & Gold, 2003:223).

Bratton and Jones (2003:284) define strategy as a specific pattern of decisions and actions that managers take to achieve an organisation’s goals. Current management literature suggests that a major determinant of success in business strategy implementation is an effective reward system. By effective, it means that rewards are aligned with the organisational strategy. In addition, the closer the alignment or fit between reward system and strategic context, the more effective the organisation (Bratton & Gold, 2003:284).

Taking an interest in employee’s careers as well can also improve morale, boost productivity, and help the organisation become more efficient. An emphasis on career development can also have a positive effect on the ways employees view their jobs and employers (Byars & Rue, 2006:200).
Against the above background, it is important that research be conducted on understanding the possible influences that employee talent management can have on the overall organisational strategy. It will be difficult for any organisation to achieve its desired strategic goals without the full commitment and proper talent management of its workforce. The present study attempts to investigate or evaluate VWSA Group Service employee talent management process, its employee understanding or attitude towards the 2010 strategy and whether the two will have an influence on the achievement of the 2010 strategy.

1.2. PROBLEM STATEMENT

Strategy is not only about what you are going to do, it is also about getting people to buy in and commit to what is going to happen and having them understand their role in implementation (Pearce & Robinson, 1997: 41).

Strategy formation is the selection of objectives to be achieved and the way in which this is to be realised (Croon, 1974:13). If the objectives have not been attained, there can be various reasons for the failure. It may be that the objectives were realistic enough, but execution fell short of the mark. It may also be that the strategy was too optimistic or pessimistic because external developments were misjudged or because the organisation has over or underestimated its own strong and weak points (Croon, 1974:21). In order to execute a strategy successfully, it must be translated into short-term operational metrics that are related to long-term needs, which can be used to assess strategic performance and help organisation achieve long-term strategic goals (Hrebinia, 2005:86).

In 2008 Volkswagen of South Africa introduced a set of strategic objectives which are to be achieved by the end of year 2010. These strategic objectives are called 1:10:100 by 2010.
**Project 1** - is about Customer Centricity. Volkswagen of SA wants to be the automotive benchmark in customer service, customer loyalty and number one in the sales of passenger cars in the South African market by the end of 2010.

**Project 10** - is about Quality and Production Breakthrough, to be one of the Top 10 performing production plants in the Volkswagen Group by the end of 2010, in terms of product quality and processes.

**Project 100** - is about the Company’s Supplier Strategy. Volkswagen of SA’s component costs is to be no more than 100% of these same components in Western Europe. The company aims to achieve each of these key focus points by end of 2010.

This study will mainly be centred around **Project 1** only; this is the area where Group Service division has the major influence, particularly on customer service and customer loyalty.

The objective is to investigate or evaluate VWSA’s Group Service division employee talent management process as seen by employees as well as investigate the employees understanding and attitude towards the 2010 strategy, particularly project 1. The last objective is to deduct from the research findings whether the aforementioned two objectives will have an influence on the outcome of project 1 in the 2010 strategy.

The **research questions** that arise:

- Did VWSA Group Service division appropriately address the key areas of talent management (as outlined in the literature review chapter) that could have an influence on the outcome of the 2010 strategy, specifically Project 1?
- Do VWSA Group Service division employees clearly understand the 2010 strategy?
- Are the employees fully committed to the organisation in order to help achieve 2010 project 1 objectives?
• Do the employees clearly understand their role towards achieving the goals of 2010 project 1?

1.3. MAIN PROBLEM
How can VWSA Group Service division use talent management to influence the positive outcome of the 2010 strategy through its employees?

SUB-PROBLEMS
• What does the literature reveal regarding talent management and organisational strategy implementation?
• What are the employee perceptions regarding talent management and 2010 Strategy?
• What is the level of employee engagement and commitment to the organisation?

1.4. DELIMITATIONS OF THE RESEARCH
The study was confined to the salaried employees of Volkswagen South Africa Group Service division only. The division has 74 salaried employees; all the employees were sent a letter requesting them to participate in the study, except for employees who have less than a year working in the company.

1.5. OBJECTIVES
The objectives of this study were as follows:
• To study existing literature and determine how talent management can be used to achieve the strategic objectives of an organisation;
• To evaluate the division’s employee talent management process as seen or perceived by employees;
• To investigate the employee understanding and attitude towards the 2010 strategy and how this could influence the outcome of the strategy; and
To recommend to the division on how talent management could be used to gain employee commitment thereby positively influencing the outcome of the strategy.

1.6. REASONS FOR AND SIGNIFICANCE OF THE RESEARCH

Effective talent management is essential in achieving organisational excellence and is a driving force for business success (Tanton, 2007). Gubman (1998:20) suggests aligning talent to business strategy by ensuring that people know where the business is going, what the business is doing to get there, how the people can contribute to what the business is trying to achieve and what is in it for the people when they do. Johnson (2000:30) asserts that the days when readymade, well-trained and culturally acceptable successors who knew the business intimately were waiting in the wings have gone.

In light of the assertions made in the preceding paragraphs, it was significant for the researcher to evaluate or investigate VWSA Group Service division talent management process, because of the following reasons:

• The division's mandate is to drive customer satisfaction and loyalty in the entire VWSA dealer network through the services the division provides to the network; and

• The division is a major shareholder on Project 1 in the 1:10:100 by 2010 strategy.
1.7. OUTLINE OF THE STUDY
The treatise is divided into six chapters:

Chapter 1 Introduction, problem statement and outlines the scope of the study.

Chapter 2 Discusses Volkswagen Group and Volkswagen South Africa, history of the company, South African motor industry and outlines VWSA 2010 Strategic objectives.

Chapter 3 Research literature review on talent management.

Chapter 4 Research methodology, including sample design, data collection methods and determinants of response rate are discussed in this chapter.

Chapter 5 Analysis of biographical results, interpretation of empirical results, summary and meaning of the results.

Chapter 6 Summary, recommendations and conclusion.

1.8. CONCLUDING REMARKS
In this chapter the objectives of the study, the problem statement and sub-problems were introduced as well as the outline of the study. The broad overview of VWSA's 2010 strategy was discussed. The next chapter is on the history of Volkswagen South Africa, South African Motor Industry and VWSA market position within the industry. The next chapter also discusses development in the South African Motor Industry.
CHAPTER TWO

VOLKSWAGEN OF SOUTH AFRICA

2. VOLKSWAGEN GROUP (VWAG)

Based in Wolfsburg Germany, the Volkswagen Group is the world’s fourth largest automobile manufacturer and the largest car producer in Europe.

The Volkswagen Group consists of eight brands – Audi, Bentley, Bugatti, Lamborghini, SEAT, Skoda and Volkswagen Commercial Vehicles, including the newly acquired Scania of Sweden. Each brand has its own character and operates as an independent entity on the market. The product range extends from low – consumption small cars to luxury class vehicles. In the commercial vehicle sector, the product offering spans pick-ups, buses and heavy trucks.

The Group operates forty-four manufacturing facilities. These are found in twelve European countries, as well as six countries in Americas, Asia and Africa. Wherever Volkswagen brands are sold and supported, the aim of the Group is to provide attractive, safe, environmentally friendly vehicles, which set the global benchmark in their respective classes (http://www.vwsa.co.za, 2010).

2.1. About Volkswagen of South Africa (VWSA)

Established in 1946, Volkswagen of South Africa is a wholly owned subsidiary of Volkswagen Aktiengesellschaft (VWAG) in Germany. It is the largest German investment in South Africa and is a major contributor to the foreign direct investment, technology transfer and skills development. Volkswagen of South Africa is located in Uitenhage, an industrial town some 35km from Port Elizabeth in the Eastern Cape (http://www.vwsa.co.za, 2010).
For generations, Volkswagen of South Africa has been leading in key areas of transformation. The company set key targets and measure its success, which is the reason they have such a proud record as a responsible corporate citizen (http://www.vwsa.co.za, 2010).

Volkswagen of South Africa believes strongly that job creation and skills development will fuel Black Economic Empowerment. Volkswagen of South Africa’s first priority therefore is to build a strong and successful business that protects and creates jobs within Volkswagen of South Africa and broader Volkswagen family of suppliers and franchised dealers.

As a multi-national corporation, Volkswagen of South Africa has a strong commitment to boost foreign direct investment in South Africa and to promote the transfer of world-class technology, knowledge and skills. Hundreds of Volkswagen of South Africa employees at all levels have received training at Volkswagen plants throughout the world (http://www.vwsa.co.za, 2010).

**Figure 2.1 Organogram of Volkswagen South Africa Leadership**

![Organogram of Volkswagen South Africa Leadership](image)

*Source: VWSA Intranet, 2010*

As indicated in Figure 2.1, the Volkswagen of South Africa Board of Directors consists of five Executive Directors and one non-executive Director. Of the six Director positions, two are filled by black directors including one female. Volkswagen of South Africa directly employs over 6000 people and 82 percent are from previously disadvantaged groups (PDG’s). The representation of PDG’s
within Volkswagen of South Africa is vast: 25 percent of management, 32 percent of team leaders, senior officials and managers and 64 percent of professionals, technicians and associate technicians are PDG’s (http://www.vwsa.co.za, 2010).

Volkswagen of South Africa has an extensive Employment Equity Programme that consists of training and development initiatives, succession planning and departmental targets that are strictly enforced. These are aimed at significantly increasing black and female representation at the executive and senior levels within the company. Administering this programme is a fully functioning Employment Equity Committee consisting of senior management representatives, trade union representatives and representation by disabled and female employees. Volkswagen of South Africa is committed to achieving the management and equity targets set out in the broad based black economic empowerment (BBBEE) Codes of Good Practice (http://www.vwsa.co.za, 2010).

2.2. History of Volkswagen South Africa

Volkswagen has a long history of involvement in transformation of the way that people live in South Africa. Since the first Beetle rolled off the line on 31 August 1951, Volkswagen became one of the leading passenger car manufacturers in the country. Pioneering steps in Volkswagen’s journey to create a better future and life for all in the country include the following:

The official opening of Assemblers and Distributors (SAMAD) was on 18 February 1949. Two years later the first Beetle is produced and in 1956 a controlling interest in the Company is bought by Volkswagen AG and ten years later the company is renamed Volkswagen of South Africa. In 1970 Volkswagen was one of the first companies to officially recognise a Black Trade Union and was also the first company in South Africa to appoint full time Shop Stewards
even though trade unions were not recognised at the time (http://www.vwsa.co.za, 2010).

In 1974 Volkswagen of South Africa became a wholly owned subsidiary of Volkswagen AG. In 1978 the Volkswagen Golf was introduced. In 1981 Volkswagen qualified the first black artisan in South Africa, a motor mechanic. The following year Volkswagen was instrumental in getting the first black students enrolled at then Port Elizabeth Technikon, pioneering the racial integration of tertiary institutions in South Africa (http://www.vwsa.co.za, 2010).

Fast tracking to 2005, 2006 and 2007, Volkswagen became the passenger car market leader in South Africa. In the same year a Volkswagen Driving Academy was opened at the Kyalami racing circuit in Midrand, Johannesburg. In 2006 Volkswagen announced its ‘People for the Future’ initiative, with the Company investing more than R400 million in training and skills development between 2006 and 2010. Guest of honour then President Thabo Mbeki officially opened the motor manufacturer’s new state-of-the-art Paint Shop. In 2008 Managing Director David Powels announced that Volkswagen of South Africa will export in excess of 40 000 vehicles in 2008 including a new export contract for 10 260 fifth generation Jettas to countries including Australia, New Zealand, Japan, Great Britain and Ireland. Volkswagen of South Africa was awarded a R12 billion contract to supply the Volkswagen Group with Diesel Particulate Filters (DPFs) for the next five years (http://www.vwsa.co.za, 2010).

2.3. VOLKSWAGEN BRAND CLAIM: DAS AUTO

Volkswagen is a strong, enduring brand, with a rich history and heritage. This heritage began with the legendary Beetle, which made motoring history in the 1950s by providing affordable transport to millions of people. Since then, Volkswagen cars have successfully became benchmark vehicles in their
respective categories – from five generations of Golf, to the beloved Kombi and the amazing Touareg. Likewise, technological advancements such as DSG, TSI and TDI have set new standards, illustrating Volkswagen’s innovative nature (http://www.vwsa.co.za, 2010).

Volkswagen’s brand claim, ‘Das Auto’, unveiled at the Frankfurt Motor Show in September 2007, was implemented by Volkswagen South Africa in January 2008. ‘Das Auto’, which literally means ‘The Car’, is a positive and bold brand claim that expresses the company’s ambitious nature. This change marked a crucial milestone in the development of the Volkswagen brand and underlined the group’s vision for the future to be the most innovative volume brand in the world. Global alignment to the German language claim upholds and communicates the strength and consistency of the Volkswagen brand throughout the world. Volkswagen builds people’s cars that set standards and have helped define whole generations’ attitude to living. Volkswagen makes it innovations available to everyone and never stops anticipating tomorrow. ‘Das Auto’ articulates this, and is an enduring long-term brand pledge that will grow and strengthen the brand into the future (http://www.vwsa.co.za, 2010).

2.4. VOLKSWAGEN 1:10:100: 2010 STRATEGIC OBJECTIVES

In 2008 Volkswagen of South Africa set a strategic objective which the company wants to achieve by year-end of 2010. The 2010 strategic objective is 1:10:100:2010,

Project 1 is about Customer Centricity, Dealer Relationship and Market Leadership. Volkswagen of SA wants to be the automotive benchmark in the South African market in areas of customer service, customer loyalty, and number one in the passenger car market by end of year 2010 (Bantam, 2009:3).
Project 10 is about Quality and Production Breakthrough, to be one of the Top 10 performing production plants in the Volkswagen Group, in terms of product quality, the quality of our processes and productivity by end of year 2010 (Bantam, 2009:3).

Project 100 is about the Company’s Supplier Strategy. Volkswagen of SA’s component costs are to be no more than 100 percent of these same components in Western Europe. The company aims to achieve each of these key focus points by end of 2010 (Bantam, 2009:3).

2.5. SOUTH AFRICAN MOTOR INDUSTRY

South Africa's automotive industry is made up of manufacture and export of vehicles and components. The sector accounts for about 10 percent of South Africa’s manufacturing exports, making it a crucial cog in the economy. The automotive sector contributes about 7.5 percent to the country's gross domestic product (GDP) and employing around 36 000 people. The government has identified the automotive industry as a key growth sector, with the aim of increasing vehicle production to 1.2-million units by 2020, while significantly increasing local content at the same time (SouthAfrica.info, 2008).

2.6. Growth

South Africa has been one of the best performing automobile markets in the world in recent years. New vehicle sales figures soared to record-breaking levels for three years in succession, from 2004 to 2006. In 2006, sales increased by 14.4 percent to just under 650 000 units, generating revenue of R118.4-billion. Major export programmes are likely to keep the local industry buoyant. Vehicle exports were around 170 000 units in 2007, and the National Automobile Association of South Africa (Naamsa) expected this to jump to 285 000 in 2008.
This was extraordinary growth, especially when compared to 1997, when the number of units exported was below 20,000. South Africa currently exports vehicles to over 70 countries, mainly Japan (around 29 percent of the value of total exports), Australia (20 percent), the UK (12 percent) and the US (11 percent). African export destinations include Algeria, Zimbabwe and Nigeria (SouthAfrica.info, 2008).

2.7. Investment
All of the major vehicle makers are represented in South Africa, as well as eight of the world's top ten auto component manufacturers and three of the four largest tyre manufacturers. Many of the major multinational companies use South Africa to source components and assemble vehicles for both the local and overseas markets.

Between 2000 and 2006, the industry's investment in production and export infrastructure quadrupled, from R1.5-billion to R6.2-billion, before slowing to R3-billion in 2007. Capital investment was expected to be around the R4-billion mark in 2008. Most of this has been foreign investment, with the parent companies of local car manufacturers expanding local operations to improve production capacity, export facilities and supporting infrastructure.

All of the large manufacturers in the country launched major export programmes in recent years - the latest (in January 2008) being Ford Motor Company of South Africa (SouthAfrica.info, 2008).

2.8. Motor Industry Development Programme (MIDP)
The catalyst for this phenomenal growth has been the government's Motor Industry Development Programme (MIDP). Introduced in 1995, the programme was legislated until 2009 and will be gradually phased out until 2012. The MIDP has boosted exports by enabling local vehicle manufacturers to include total export values as part of their local content total, then allowing them to import the same value of goods duty-free. This has allowed auto-makers to concentrate on manufacturing certain vehicles or components for export, while importing other
models. The programme also grants a production-asset allowance to vehicle manufacturers that invest in new plants and equipment, giving them 20 percent of their capital expenditure back, in the form of import-duty credits, over a period of five years (SouthAfrica.info, 2008).

The government will introduce a successor to the MIDP in 2013 known as the Automotive and Production Development Programme (APDP), which will be aimed at improving the domestic value chain. The new programme, which will last until 2020, will focus on value addition while being consistent with South Africa's multilateral obligations. It will take the form of a subsidy to production (Venter, 2009).

The Department of Trade and Industry said the new support programme would result in more jobs as well as the long-term sustainability of the industry. The plan will support production and investment plans that "intend to reach a minimum volume of output for each platform of 50 000 units a year within a reasonable period of time"(SouthAfrica.info, 2008).

2.9. Auto Component Manufacturers

There are more than two hundred automotive component manufacturers in South Africa and upwards of another hundred and fifty that supply the industry on a non-exclusive basis. The component industry has a turnover of about R50-billion, or approximately two percent of the country's GDP, and is looking to strong growth as export potential continues to increase.

South Africa exported R30.3-billion worth of auto components in 2006, a 32 percent increase over 2005. Catalytic converters continued to be the country's most exported vehicle part, accounting for almost half of all component exports. Other key exports include engines, silencers and exhausts, radiators, wheels and tyres, stitched leather car seat covers, car radios and sound systems and axles especially for heavy trucks.
Germany, Spain, the UK, the US, France and sub-Saharan Africa are the leading destinations for South African auto parts exports (SouthAfrica.info, 2008).

2.10. VWSA MARKET POSITION IN SA MOTOR INDUSTRY

2.11. On Vehicle Sales
A South African Automotive Market research company called Synovate measures the Sales and Service performance of various vehicle manufactures and supplies the manufacturer with results via Synovate website. The Competitor Customer Satisfaction Index (CCSI) surveys are done every six months. The Customer Satisfaction Index (CSI) surveys are done monthly by Synovate to each manufacturer customer base only.

CCSI is a measure of how satisfied were the customers of other manufacturers with their vehicle purchase and service experience received from other manufacturers compared to the experience Volkswagen and Audi customers on the same index. CSI is an internal measure of the vehicle sales and service experience received by Volkswagen and Audi customers only. The fundamental difference is that the CSI monthly questions are different for each manufacturer. The CCSI questions however are the same for all competitor manufacturers, meaning all customers of different manufacturers get to answer the exact same questions.

As indicated in figure 2.2 below, each bar represents each manufactures score, the blue bar represents Volkswagen brand and the red bar represents the Audi brand. CCSI results for the period of January to June 2009, VW rated at position four with a score of 91.8 percent amongst all brands including premium brand, excluding premium brand and only focusing on volume brand VW rated at position three. On CSI results for the period of April to September 2009 VW rated at position four with a score of 92.3 percent. The objectives of Project 1 2010, Volkswagen of South Africa (VW and Audi) is planning to be number one on
passenger car sales on both volume and premium segments when it comes to passenger vehicles sales.

For the period of January to June 2009, Chevrolet was the market leader on CCSI with a score of 93.6 percent. It is the opinion of the researcher that Chevrolet’s achievements can be attributed to the fact that there is lower vehicle population of Chevrolets which inevitably means fewer customers to attend to. Unlike Volkswagen, which has a much higher vehicle population in the passenger car market, which means more customers to attend to than Chevrolet.

**Figure 2.2 Vehicle Sales CCSI and CSI Ranking**

![Vehicle Sales CCSI and CSI Ranking](image)

*Source: VWSA research dept, 2010*
2.12. On Vehicle Service

As indicated in figure 2.3 below, each bar represents each manufactures score, the blue bar represents Volkswagen brand and the red bar represents the Audi brand. CCSI results for the period of January to June 2009 VW rated at position nine with a score of 81.9 percent amongst all brands including premium brand, excluding premium brand and only focusing on volume brand VW rated position six. CSI results for the period of April to September 2009 VW rated at number seven with a score of 82.6 percent. The objectives of Project 1 2010, Volkswagen of South Africa (VW and Audi) is planning to be number one on vehicle servicing on both volume and premium brands.

Figure 2.3 Vehicle Servicing CCSI and CSI Ranking

Source: VWSA research dept, 2010
2.13. Overall Index (Sales and Service)

As indicated in figure 2.4 below, the overall index, that is both Sales and Service index for the period of January to June 2009, VW brand is rated at position seven on CCSI with a score of 86.8 percent amongst all segments, however position four on the volume brand segment. On CSI VW brand is rated at position five on CSI with a score of 87.4 percent amongst all segments, however position three on the volume brand segment.

Figure 2.4 Overall Index (Sales and Service) CCSI and CSI Ranking

<table>
<thead>
<tr>
<th>CCSI Sample</th>
<th>Jan - Jun 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>1:Chev</td>
<td>89.7</td>
</tr>
<tr>
<td>2:Toyota</td>
<td>89.3</td>
</tr>
<tr>
<td>3:MB</td>
<td>88.8</td>
</tr>
<tr>
<td>4:Nissan</td>
<td>87.6</td>
</tr>
<tr>
<td>5:BMW</td>
<td>87.2</td>
</tr>
<tr>
<td>6:Audi</td>
<td>87.2</td>
</tr>
<tr>
<td>7:VW</td>
<td>86.8</td>
</tr>
<tr>
<td>8:Opel</td>
<td>86.7</td>
</tr>
<tr>
<td>9:Mazda</td>
<td>84.4</td>
</tr>
<tr>
<td>10:Ford</td>
<td>83.4</td>
</tr>
<tr>
<td>11:Ren</td>
<td>83.1</td>
</tr>
<tr>
<td>12:Chry</td>
<td>82.9</td>
</tr>
<tr>
<td>13:Peu</td>
<td>77.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CSI Sample</th>
<th>Apr - Sept 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>1:Chev</td>
<td>90.0</td>
</tr>
<tr>
<td>2:Toyota</td>
<td>89.5</td>
</tr>
<tr>
<td>3:MB</td>
<td>89.3</td>
</tr>
<tr>
<td>4:BMW</td>
<td>87.8</td>
</tr>
<tr>
<td>5:VW</td>
<td>87.4</td>
</tr>
<tr>
<td>6:Opel</td>
<td>87.1</td>
</tr>
<tr>
<td>7:Audi</td>
<td>86.4</td>
</tr>
<tr>
<td>8:Mazda</td>
<td>84.6</td>
</tr>
<tr>
<td>9:Chry</td>
<td>84.5</td>
</tr>
<tr>
<td>10:Ren</td>
<td>84.0</td>
</tr>
<tr>
<td>11:Ford</td>
<td>83.2</td>
</tr>
<tr>
<td>12:Peu</td>
<td>78.7</td>
</tr>
</tbody>
</table>

Source: VWSA research dept, 2010
2.14. Conclusion

It is the overall index score and rating that will determine by the end of 2010 whether Volkswagen as a brand, that is VW and Audi will reach its 2010 Project 1 objectives. It should be noted that whenever looking at CSI and CCSI scores, volume brands and premium brands should always be looked at separately as they are totally two different markets.

The following chapter is focusing on the literature review of talent management, the process in its broader context.
CHAPTER THREE
UNDERSTANDING TALENT MANAGEMENT

3.1. INTRODUCTION

The growing effects of the information economy, globalisation and changing demographics are coinciding to create a new era in business, the era of talent (Gubman, 1998:292). Whether it is called people, labour, intellectual capital, human resources, talent or some other term, the resource that lies within employees and how they are organised is increasingly recognised as critical to strategic success and competitive advantage (Boudreau & Ramstad, 2007:4). Tanton (2007) explains effective talent management is essential to achieving organisational excellence and is a driving force for business success.

South African organisations have some unique challenges when it comes to attracting and retaining people (Fisher & Davey, 2007). Attracting and keeping top talent will continue to be a challenge for managers in organisations of all sizes and types, so it is important to understand what attracts top talent and use those factors in job advertisements, organisation’s website and in conversation with employees and job candidates (Ahlrichs, 2003:196). Ability to attract, manage and retain talent will determine whether success is realised (Gubman, 1998:292).

Recruitment approaches will have to change significantly to enable organisations to move into a new era of international competition. Recruiters must be aware of the factors influencing job choice, as this will enable them to give better advice and to make better choices when recruiting candidates (Swanepoel, Erasmus, Van Wyk & Schenk, 2003: 264).

Johnson (2000:30) argues that the prices for talent are going up and the only success factors will be how much longer an organisation can keep top talent than
competitors and how quickly can these organisations plug the holes left by the talent that left.

3.2. DEFINITION OF TALENT AND TALENT MANAGEMENT
Boudreau & Ramstad’s (2007:2) definition of talent is a resource that includes the potential and realised capacities of individuals and groups and how they are organised, including those within the organisation and those who might join the organisation.

Bechet (2008:19) defines talent management as a collection of innovative actions and solutions that allows an organisation to maximise the effectiveness of the talent it employs.

Joubert (2007:6) defines talent as a person’s power or ability to repeatedly inspire and arouse emotion in other people.

Michaels, Handfield–Jones and Axelrod definition of talent cited in Cartwright (2003:6) is the sum of a person’s abilities, including intrinsic gifts, skills, knowledge, intelligence, attitude, drive and the ability to learn.

Stockley (2005) defines talent management as a conscious, deliberate approach undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organisational needs.

3.3. ATTRACTING AND SOURCING TALENTED EMPLOYEES
Attracting talent means creating an employment brand or image in the marketplace that naturally attracts the attention of the candidates who have a high level of fit to the organisation (Atkins, McCutcheon & Penna, 2004:8).
3.3.1. Brand image as a competitive advantage

A company’s brand is what differentiates its products or services from others. Recruiters from well-known businesses need not describe to applicants what it is that they make or do. Lesser-known and unknown organisation must work hard at cultivating their brand image (Arthur, 2006:11). An organisation that starts closing plants and laying-off workers, quickly slips off the hot talent A-list (Johnson, 2000:77).

Figure 3.1: Brand profile most desired by high-value talent

<table>
<thead>
<tr>
<th>Organisational Values</th>
<th>Organisational Culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make honesty and integrity the cornerstone of our spirit.</td>
<td>There's no morale boost that beats working in a team where creativity and innovation are valued.</td>
</tr>
<tr>
<td>Emphasize excellence in all that we do, and demonstrate caring in all our relationships.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Organisation Brand Strength</th>
<th>Organisation Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Be known as a good place for talented people to work. Be known for superior quality and service as an industry leader.</td>
<td>Set a strong vision, manage effectively to realise that vision and keep me well informed. Tell it often and tell it straight.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Work Environment</th>
<th>Compensation/Benefits/Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Giving me autonomy to solve problems when and where I want is great. But don't let go of the lifeline, keep me in the loop on changes taking place.</td>
<td>Competitive compensation is a deal-breaker. But, fairness in linking pay to performance and support for work, family balance are the deal-makers.</td>
</tr>
</tbody>
</table>

Source: Ahlrichs, 2003:197

Figure 3.1 above sums-up the entire brand profile requirements that attract and retain high talented employees to an organisation.
3.3.2. Recruiting strategies

Often, talent management processes assume that most (if not all) of an organisation's talent needs will be recruited from the outside. Critical talent needs can be met by utilising or redeploying current staff or by using part time staff, contractors, consultants and other contingent workers (Bechet, 2008:264).

The choice of recruitment method depends on the vacancy to be filled, but the elements of studying the job and the applicants, comparing what each has to offer against the demands of the job and subsequently following up the selection, are common to all methods (Ungerson, 1983:37). Traditional recruitment sources reach a wide audience and are usually costly. Innovative recruitment sources appeal only to certain work environments during specific market conditions (Arthur, 2006:46). Recruiting sources include:

**Traditional sources:**
- Newspaper and journals: these are the most familiar places to place advertisements and are where most job seekers begin their search (Dale, 2006:43).
- Internet: the shortage of suitably qualified applicants is forcing employers to be more creative about filling vacancies and some are seeking recruits abroad (Dale, 2006:44).

**Innovative sources:**
- Airplane banners: attention getters, but also intrusive.
- Company sponsored social events: cost effective, reaches a limited number of people (Arthur, 2006:47).
Figure 3.2: Strategic framework for employee recruiting

There are two approaches used in business today:

- **Broad skill scope**: strategy focuses on attracting a large number of applicants.
  
  This approach makes sense when a lot of people have characteristics needed to succeed in the job. Organisation using the **Bargain Labourer** HR Strategy would use this approach to hire a large number of non-specialised employees, who often stay with the company for short periods of time. Organisation with a **Loyal Soldier** HR Strategy seeks to keep employees for longer periods, but the employees do not need specialised skills to succeed (http: docstoc.com, 2010:7).

- **Targeted skill scope**: strategy seeks to attract a small group of applicants who have a high probability of possessing the characteristics that are needed to perform the specific job. This approach is used when looking for a very limited number of applicants with a very specific or rare set of skills.
Therefore it is clear from the strategic recruitment framework that the choice of recruiting strategy largely depends on the vacancy to be filled and the skill level required from the incumbent (http: docstoc.com, 2010:8).

### 3.4. EMPLOYEE TALENT MANAGEMENT

There is the growing amount of empirical evidence that shows clear relationship between excellent talent practices and improved shareholder returns. Talent management recognises that different people make different contributions to the enterprise and that top talent is the key competitive differentiation (Forman, 2005:6). In order to be most effective, talent management must align with company strategy, define leadership criteria that are consistent across all functional areas and identify the technical skills that are needed for growth (McGarrity, 2007).

**Figure 3.3: Illustration of a talent management process**

![Talent Management Process](image)

*Source: Bersin & Associates, 2007*
Figure 3.3 above shows practical talent management process as a continuous circle instead of a linear approach. It highlights critical skills gap analysis, compensation and benefits, recruiting and training and development. At the centre of the talent management process are job roles, job descriptions and competency models as being central to the process.

**Figure: 3.4: Traditional approach to Talent management process**

![Diagram of traditional talent management process]

**Source:** Deloitte, 2005:1.

Figure 3.4 above shows a traditional approach to talent management as a linear activity that begins with acquiring talent and retaining talent, as two areas of focus. The traditional approach to talent management has focused on the recruitment and retention activities. While these are critical issues, it is also important to have a holistic approach to talent management (Deloitte, 2005:1).

**3.4.1. Analysis of future skills requirements (skills gap analysis):**

If professional firms are to respond to the changes in their market and business environment, they will need to identify the type of staff and the skills they require in the future and these may be different to those in the past (Meyer, 2005:5). This process is identified as important, an often overlooked function in many industries. It helps identify roles, individuals and competencies that are leaving (Bersin & Associates, 2007).
3.4.2. Training and development:
One of the distinctions of a successful talent management program is the creation of “talent pools” within a company, which provides a reliable and consistent internal source of talent. The development of talent pools make it easier to train and develop desirable skills and traits in a broader group of employees, which results in improvement of performance across functions and levels (McGarrity, 2007). But development activities can be agreed and targeted; participants must have a firm grasp of the areas in which they have strengths and those they need to develop (Atkins et al. 2004:20).

The biggest concern with development seems to be attrition, companies invest in employees and employees leave. The way companies deal with the attrition problem is getting employees to share development cost (Cappeli, 2009).

3.4.3. Competencies assessment:
Having identified the future strategy and challenges facing the organisation, the next step is to identify the competencies and other success criteria, which the firm will require to achieve its strategy. It is essential that these are identified and form the basis of personal career development (Meyer, 2005:6).

Competencies are the gauges for job success. There are four primary competency categories, namely:

- Tangible competencies;
- Knowledge based competencies;
- Behaviour based competencies; and
- Job specific competencies;

3.4.4. Employee Compensation and benefits

This is an integral part of people management. Here organisations try to tie the compensation plan directly to performance management so that compensation, incentives and benefits align with business goals and business execution (Bersin & Associates, 2007).

Remuneration is the process, which takes place after functions have been ranked and through which a salary structure will be established (Poels, 1997:9). The purpose of remuneration and rewards is to demonstrate tangibly to employees their relative value within the organisation and it is also a way for employees to evaluate their comparative worth within the labour market. In this sense, the remuneration strategy affects both organisational capacity and employee commitment (Brewer, 1993:121).

Items such as pensions, sick pay, holidays and varying range of other benefits are an integral part of every company’s condition of employment (Armstrong & Murlis, 1980:140). Company salary scales must be adequate to attract and keep the people the business needs. Whether or not the employee is satisfied with his salary will largely depend on his perception of his job, combined with expectations of the rate at which his salary should increase with experience (Bird, 1989:104).

3.5. RETAINING TALENTED EMPLOYEES

Today’s talented individuals know their worth and also know that there are those who wish to use their talents. Organisation need to think through how they can retain talent within organisation (Cartwright, 2003:96). One of the best ways to retain key individuals is to make sure that they are fully engaged in the work they are doing and know that the contributions resulting from that engagement are recognised and appreciated (Bechet, 2008:267).
3.5.1. Employee engagement and commitment

Kock & McNamara’s (2009) definition of employee engagement is a psychological state within which an employee connects and identifies at a personal level with their job and organisation, resulting in retention and improved performance. When a committed employee serves a customer, the customer senses it and responds positively, becoming more committed in turn. Employees who identify with their organisation transfer that identity to customers they interact with (Ulrich & Smallwood, 2003:92). Employee commitment is essential for the success and survival of the organisation (Brewer, 1993:24). Creating commitment requires a comprehensive management programme, one consisting of a package of concrete management practices and personnel policies (Dessler, 1993:10).

Employee engagement promotes a positive service climate and customer loyalty. Organisational resources and employee engagement predict service climate, which in turn, predicts employee performance and then customer loyalty (Cascio & Boudreau, 2008:129). Achieving competitive advantage, organisations must find a way to create and then sustain the level of energy and passion that people bring to work. The way to do that is by creating and sustaining a culture where engagement is not only the norm but one which attracts the kinds of people who are disposed to doing well in that kind of environment (Macey, Schneider, Barbera & Young, 2009:43).

Employee attitudes drive not just customer service but also turnover. An ability to see the connection between employees work and the company’s strategic objectives is a driver of positive behaviour (Becker, Huselid & Ulrich 2001:27).

**How to develop employee engagement?**

1. **Clear career expectations regarding the job:** if the expectations are not clear and the basic materials and equipment not provided, negative emotions such as boredom or frustration may result (Mazzuca, 2007:3).
2. **Connect**: employee engagement is a direct reflection of how employees feel about their relationship with the boss (Ambler, 2007).

3. **Build trust**: trust is the foundation upon which all relationships rest, and for which all ideas take on the shape of possibilities. If the intentions are suspect, any project or idea cannot move forward. Resistance is intensified without trust, but with trust all things are possible (Brenner, 2010).

4. **Regular feedback at all level**: feedback is a key tool enabling employees to have a sense of where they are going (Mazzuca, 2007:3).

5. **Convey**: Leaders clarify their expectations about employees and provide feedback on their functioning in the organisation (Ambler, 2007).

There are more than five steps in developing employee engagement that the researcher has come across; different authors give different number of steps. The five steps listed above, based on the research are some of the most popular steps in employee engagement.

**3.5.2. Organisational culture**

A positive culture helps employees stay with the organisation. Understanding corporate culture and using it as a retention strategy has become the subject of much research. Culture helps employees feel connected to their company and job (Phillips & Connell, 2003:169). Managers are the living, breathing embodiment of the culture of the organisation. It is important that the messages they are sending are aligned with the overall corporate culture (Ahlrichs, 2003:63). Social support, leadership and good work-life balance are part of the culture solution (Phillips & Connell, 2003:168).
Several alternative approaches to leadership emerged in line with the behavioural movement in the late 1950's. The first of these approaches was to delineate characteristic patterns or styles of leadership behaviours such as Lewin’s three classical styles of leadership behaviour (Swanepoel et al. 2003:344).

**Classical leadership Styles:**

**Authoritarian (Autocratic):** leader retains all authority and responsibility.  
Primary strength: stresses prompt orderly and predictable performance.  
Weakness: approach tends to stifle individual initiative (Swanepoel et al. 2003:345).

**Participative (Leadership):** leader delegates a great deal of authority, while retaining ultimate responsibility.  
Primary strength: enhances personal commitment through participation.  
Weakness: democratic process is time consuming (Swanepoel et al. 2003:345).

**Delegative (Laissez-faire):** leader denies responsibility and abdicates authority to group. Group members are told to work things out themselves and to do the best they can.  
Primary strength: permits self-starters to do things as they see fit without leader interference.  
Weakness: group may drift aimlessly in the absence of direction from leader (Swanepoel et al. 2003:345).

**3.5.3. Motivation**

Motivation is a willingness to do something and is conditioned by action’s ability to satisfy some need of the individual (Swanepoel, et al. 2003:324).  
Several motivation theories work on the assumption that given the chance and right stimuli, people work well and positively. Theorist Abraham Maslow cited in Heller (1998) grouped them into five areas. The models of work motivation
suggest that people work primarily out of psychological and social needs and continue to do so provided they are adequately compensated. What is important in looking at these models is the notion that employees do not regard their jobs in a purely instrumental sense, or as simply a way to earn money. People work to satisfy a range of needs (Brewer, 1993:9).

**Maslow’s hierarchy of needs:**

*Figure 3.5: Illustration of Maslow’s hierarchy of needs*

Maslow’s theory of hierarchy of needs simply stipulates that within every person there exists a hierarchy of five need levels, depicted in figure 3.5. The five levels are namely:

- **Self-Actualisation**: realising individual potential, winning and achieving;
- **Esteem Needs**: being well regarded by other people, appreciation;

*Source: http: jayderagon.com (2009)*
• **Social Needs**: interaction with other people, having friends;
• **Safety Needs**: a sense of security, absence of fear; and
• **Physiological Needs**: warmth, shelter, food, sex – a human being’s “animal” needs;

(Heller, 1998:8).

Maslow’s hierarchy simply means that as a lower level of needs become substantially fulfilled the next higher order need increases in strength and thus becomes a powerful motivator. A person fighting for his or her survival (that is, a person whose safety needs are unfulfilled) will not be motivated by opportunities to fulfil his or her status needs, because safety as a lower-order need must first be satisfied before the higher-order esteem needs (Swanepoel, et al. 2003:326).

**Hertzberg’s dual theory**

Using Maslow’s view of motivation, Herzberg cited in Brewer (1993) proposed two categories of needs. The first category of needs is termed motivators which includes Maslow’s higher order of needs. The second category of needs identified by Hertzberg’s research related to extrinsic factors known as hygiene factors which related primarily to Maslow’s lower order of needs (Brewer, 1993:10).

Motivation factors associated with achievement and recognition were most common amongst individuals who experienced satisfaction. Conversely, the absence of these factors did not result in dissatisfaction but rather no satisfaction was experienced. The hygiene factors such as work condition, pay, supervision and company policies, if perceived inadequate, lead to feelings of dissatisfaction. However, if these factors were perceived as adequate it did not lead to feelings of satisfaction, instead individuals experienced feelings of no dissatisfaction (Poisat, 2006:45). This represents the fundamental difference between the traditional view of job satisfaction and Hertzberg theory.
3.5.4. Work-life balance:
Balancing the interest of employees and employers is the key and a number of companies have arrangements to negotiate compromises (Cappelli, 2009). When work interferes with family time and relationships, there is a higher absenteeism rate and turnover than when the individual is able to balance family needs with the support of organisational programs (Phillips & Connell, 2003:172). Employees are asking for a workplace that helps them balance the demands of their work and family lives, rather than forcing them to choose one over another (Kaye & Jordan-Evans, 2004:51).

3.6. CONCLUSION
There could be no doubt that talent management is important for organisational excellence and for business success as the research already reveals. Many authors referenced in this chapter have emphasised the importance of having committed, engaged employees and employees with positive attitude. It has been argued in this chapter that organisational culture and work environment has to be conducive for talent to be nurtured and developed. Creating talent alone is not enough; creating opportunities for the talented employees to flourish is also essential.

The motivational theories also do explain that a blanket approach to talent management is not the way to go, as different employees are at different levels of the motivational hierarchy and therefore motivated by different things.

The next chapter is on research methodology, design and construction of questionnaire, sampling methods and methods of collecting data.
CHAPTER FOUR
RESEARCH METHODOLOGY

4.1. INTRODUCTION
Before discussing research methodology it is important to understand the meaning, purpose, types and characteristics of research. Sekaran (2000:3) defines research as simply the process of finding solutions to a problem after a thorough study and analysis of the situational factors. Some research may seek confirmation of existing facts rather than the discovery of new ones (Riley, Wood, Clark, Wilkie & Szivas, 2000:7).

There are many different purposes of a research project. Three common ones are:
- To review existing knowledge;
- To describe some situation or problem; and
- Explanation;
(Mullins, 1994:3).

The choice of the type of research depends on the following factors:
- The object of the research;
- The aim of the research; and
- The nature of the data to be collected; (Bless & Higson-Smith, 1995:42).

Types of Research
Research does have different meanings for different people but there are some general areas of agreement (Riley et al, 2000:8). The following are some of the research types.
**Descriptive and explanatory research**

Descriptive research is largely concerned with what, when, where and who questions, whereas explanatory research goes beyond this and is concerned with why and how questions. Descriptive research is thus essentially information in character. Explanatory research is directed towards exploring the relationships between concepts and phenomena (Riley et al. 2000:9).

**Applied and basic research**

A particular product may not be selling well and the manager might want to find reasons for this in order to take corrective action, such research is called applied research. The other is to generate a body of knowledge by trying to comprehend how certain problems that occur in organisation can be solved (Sekaran, 2000:6).

**Characteristics of research**

Research begins with a question in the mind of the researcher:

- Research requires a plan and design;
- Research demands a clear statement of the problem;
- Research deals with the main problem through sub-problems;
- Research seeks direction through appropriate hypotheses;
- Research deals with facts and meaning; and
- Research is circular;

(Mullins, 1994:2).

**4.2. RESEARCH PARADIGM**

The term paradigm refers to the progress of scientific practice based on people’s philosophies and assumptions about the world and the nature of knowledge, in this context it is about how research should be conducted (Collis & Hussey, 2003:46). According to Creswell (2007:19) a paradigm or worldview is a basic set of beliefs that guide action.
**Positivist paradigm – Quantitative approach**

The positivists define their approach as the study of observable human behaviour. The positivist aims at uncovering general laws of relationships and or causality that apply to all people and at all times (Welman & Kruger, 1999:7).

**Major criticism of positivism**

Critics of positivism have a number of concerns motivated by the underlying view that positivist approaches to research are inappropriate to the study of social phenomena. This is because social phenomena are the products of human action and the study of people and their actions is not amenable to research techniques most closely associated with positivism (Riley et al. 2000:13).

**Anti-positivist paradigm – Qualitative approach**

Qualitative research is a situated activity that locates the observer in the world. The qualitative researchers study things in their natural settings, attempting to make sense of or interpret phenomena in terms of the meanings people bring to them (Creswell, 2007:36). Anti-positivist hold that the natural-scientific method is designed for studying molecules, organisms and other things and is thus not applicable to the phenomena being studied in the human behavioural science (Welman & Kruger 1999:7).

This study followed a quantitative paradigm because of the nature of the problem statement and the nature of data collected.

**4.3. SAMPLE DESIGN**

A sample is part of something larger called a population, the population is the totality of entities in which we have an interest, that is the collection of individuals, objects or events about which inferences are to be made (Diamantopoulos & Schlegelmilch, 2000:10).
4.3.1 Defining the population to be sampled

The first step in sampling is to define the population of interest clearly and accurately (Sapsford & Jupp, 2006:27).

The target population of this study consisted of all Uitenhage based VWSA’s Group Service division employees that had at least a year’s working experience in the company as they were more likely to be aware of the division’s talent management process and the company’s 2010 project objectives.

VWSA’s Group Service employees defined

Figure 4.1 below shows the total number of male and female salaried employees working in the Group Service division as well as the population size.

Figure 4.1: Group service population by gender

<table>
<thead>
<tr>
<th>M</th>
<th>F</th>
<th>N (Population size)</th>
</tr>
</thead>
<tbody>
<tr>
<td>57</td>
<td>17</td>
<td>74</td>
</tr>
</tbody>
</table>

Source: (VWSA’s intranet, 2010)

Figure 4.2 below shows the number of Supervisors, Managers and staff employees working in the division.

Figure 4.2: Group service population by level

<table>
<thead>
<tr>
<th>Level</th>
<th>Supervisor</th>
<th>Manager</th>
<th>Staff</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>4</td>
<td>59</td>
<td>74</td>
<td></td>
</tr>
</tbody>
</table>

Source: (VWSA’s intranet, 2010)

Figure 4.3 and Figure 4.4 below show the number of Supervisors and Managers by gender working in Group Service division.
4.3.2. Sampling methods

Having identified and defined the population from which the sample was drawn, the next step was to decide how the sample itself would be selected. The methods fell into two main categories, probabilistic sampling and non-probabilistic sampling (Sapsford & Jupp, 2006:29).

Probability sampling is most commonly associated with survey based research where inferences about a population are made in order to answer the research questions or to meet objectives (Saunders, Lewis & Thornhill, 2000: 153).

The process of probability sampling can be divided into four groups:
1. Identifying a suitable sampling frame based on research questions or objectives;
2. Deciding on suitable size;
3. Selecting the most appropriate sampling technique and selecting the sample; and
4. Checking that the sample is representative of the population; (Saunders et al. 2000:153).

Types of probability sampling

- **Simple random sampling**, in order to achieve a true simple random sample a complete list of all possible units in the population from which to choose a sample must be available (Nardi, 2006:113).
• **Stratified random sampling**, the principle of random sampling is to divide a population into different groups, called strata, so that each element of the population belongs to one and only stratum (Bless & Higson-Smith, 1995:91).

• **Systematic random sampling**, this method involves taking every \( \text{n} \)th element in the sampling frame until the total is reached (Nardi, 2006:116).

• **Multistage or cluster sampling**, is a type of sampling in which the added information desired from certain cases is obtained in the first contact instead of being secured in a second survey (Balsley & Clover, 1988:114).

Non-probability sampling is where the probability of selecting a single element is not known (Bless & Higson-Smith, 1995:94).

**Types of non-probability sampling**

• **Convenience sampling** is simply sampling people that are easy to survey. With convenience sampling the sample is not known if it represents the population (Mitchell & Jolley, 1992:475).

• **Quota sampling** is designed to make a convenience sample more representative of the population. Like stratified random sampling, quota sampling is designed to guarantee a sample matched population on certain characteristics (Mitchell & Jolley, 1992:475).

• **Judgemental sampling**, subjects selected on the basis of their expertise in the subject investigated (Sekaran, 2000:281).

Therefore from the above discussion the most suitable method for this study was the stratified random sampling, which is the form of probability sampling. The sample has already been clearly defined in the previous pages; therefore stratified random sampling was a way to guarantee a proportionate representation of the population.
4.3.3. Sample size
Firstly, when determining sample size the population size must be kept in mind. In general, it holds that the smaller the total population, the relatively larger the sample should be to ensure satisfactory results (Welman & Kruger, 1999:64).

There are four key statistical considerations in sample size determination:
- Degree of **variability** in the population, the more heterogeneous the population the larger the sample size needed to capture the diversity in the population;

- Degree of **precision** associated with population estimates based on a sample, the greater the precision required, the larger the sample size needed;

- Degree of **confidence** associated with any estimates made. There is a trade-off between precision and confidence with a sample of fixed size; and

- A final statistical consideration concerns the extent to which the intended analysis will involve the use of sub-samples for **cross-classification** purposes and make use of statistical techniques which assume a minimum sample size to produce meaningful results (Diamantopoulos & Schlegelmilch, 2000:17).
Figure 4.5: Sample Size for Given Population Sizes

<table>
<thead>
<tr>
<th>N</th>
<th>S</th>
<th>N</th>
<th>S</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>10</td>
<td>220</td>
<td>140</td>
</tr>
<tr>
<td>15</td>
<td>14</td>
<td>230</td>
<td>144</td>
</tr>
<tr>
<td>20</td>
<td>19</td>
<td>240</td>
<td>148</td>
</tr>
<tr>
<td>25</td>
<td>24</td>
<td>250</td>
<td>152</td>
</tr>
<tr>
<td>30</td>
<td>28</td>
<td>260</td>
<td>155</td>
</tr>
<tr>
<td>35</td>
<td>32</td>
<td>270</td>
<td>159</td>
</tr>
<tr>
<td>40</td>
<td>36</td>
<td>280</td>
<td>162</td>
</tr>
<tr>
<td>45</td>
<td>40</td>
<td>290</td>
<td>165</td>
</tr>
<tr>
<td>50</td>
<td>44</td>
<td>300</td>
<td>169</td>
</tr>
<tr>
<td>55</td>
<td>48</td>
<td>320</td>
<td>175</td>
</tr>
<tr>
<td>60</td>
<td>52</td>
<td>340</td>
<td>181</td>
</tr>
<tr>
<td>65</td>
<td>56</td>
<td>360</td>
<td>186</td>
</tr>
<tr>
<td>70</td>
<td>59</td>
<td>380</td>
<td>191</td>
</tr>
<tr>
<td>75</td>
<td>63</td>
<td>400</td>
<td>196</td>
</tr>
<tr>
<td>80</td>
<td>66</td>
<td>420</td>
<td>201</td>
</tr>
<tr>
<td>85</td>
<td>70</td>
<td>440</td>
<td>205</td>
</tr>
<tr>
<td>90</td>
<td>73</td>
<td>460</td>
<td>210</td>
</tr>
<tr>
<td>95</td>
<td>76</td>
<td>480</td>
<td>214</td>
</tr>
<tr>
<td>100</td>
<td>80</td>
<td>500</td>
<td>217</td>
</tr>
</tbody>
</table>

Source: Adapted from Sekaran, 2000:295

Krejcie and Morgan cited in Sekaran (2000) greatly simplified the sample size decision by providing a table that ensures a good decision model. Figure 4.5 provides that generalised scientific guideline for sample decisions (Sekaran, 2000: 296).

Therefore based on figure 4.5 the researcher aimed for a target sample of fifty-nine (59) from the eligible population size of seventy-one (71).
4.3.4. Proportionate representation of population

Population size (N) = 74
Eligible population size for survey (N) = 71
Targeted sample size (S) = 59
Selected sampling method, was stratified random sampling
Therefore,

Sampling fraction = 59 / 71 = 0.830

Representation of Group Service population by category was worked out the following way:

1. Targeted sample of male employees
   = Sample fraction x number of male eligible employees
   = 0.830 x 55
   = 45.70
Therefore 46 male employees was the targeted number of respondents.

2. Targeted sample of female employees
   = Sample fraction x number of female employees
   = 0.830 x 16
   = 13.28
Therefore 13 female employees was the targeted number of respondents.

3. Targeted sample of supervisor employees
   = Sample fraction x number of supervisors
   = 0.830 x 11
   = 9.13
Therefore 9 supervisors was the targeted number of respondents.

4. Targeted sample of manager employees
= Sample fraction x number of managers
= 0.830 x 4
= 3.332

Therefore 3 managers was the targeted number of respondents.

Summary
There were 46 male employees that were targeted respondents, of that 46, 9 employees were targeted male supervisors and 3 were targeted male managers. In essence this meant the researcher targeted 34 male employee staff members out of a population of 71 eligible employees. Since there are zero female supervisors and managers, this meant the researcher targeted 13 female employees who all happened to be salaried staff members, this took the total of salaried staff targeted sample to 34 + 13 = 47. In total the targeted sample numbers of salaried staff, supervisors and managers added together gave the total targeted sample of 59. This methodology ensured that the researcher was able to make accurate and representative conclusions about the population studied.

4.4. DETERMINANTS OF RESPONSE RATE
Towler (2003) explains that a survey must have a good response rate in order to produce accurate, useful results. Low response rate can lead to inaccurate estimates and large standard errors resulting in incorrect population conclusions being drawn (de Baux, 2004:7). A variety of factors influence the response rate, the following are some of the factors that can determine the response rate.

- **Length**, the longer the interview or questionnaire the less likely someone is to begin it. The longer it takes to complete, the better chance there is the respondent will either terminate the survey or leave large numbers of questions unanswered (Mullins, 1994:50).
- **Incentives**, some firms offer cash incentives, but this is fraught with danger. No matter how much or how little is offered, someone will object to it being
either too much or not enough. Offering a small amount to everyone may be perceived to be nothing more than a bribe and may not lead to any increase at all (Towler, 2003).

- **Relationships to respondents**, the better the respondents are known to the researcher the more likely is a higher response rate. In a smaller sample, building relationship with respondents may make them more likely to respond (Response rate & surveying techniques 2009:1).
- **Simplicity**, if the survey is complex and hard to understand, the response rate will be low (Towler, 2003).

**Formula to calculate response rate:**

\[
\text{Response rate} = \frac{\text{total number of responses}}{\text{total number in sample} - (\text{ineligible} + \text{unreachable})}
\]

**Source**: Saunders, et al. 2000:157

All the targeted respondents in this research study were working in the same building as the researcher and most had good relationship with the researcher. The researcher used the good relationship he had with the targeted respondents to encourage higher response rate. Follow-ups were made to those that had not responded and no money was used as an incentive to those who were not responding despite the follow-up. Lastly, in order to secure co-operation an advance notice in the form of a personalised letter was sent to the targeted respondents informing them of the study.
4.5. DATA COLLECTION METHODS
Planning and managing data collection systematically requires an understanding of the different types of data allied to the different approaches to, methods of and specific techniques of data collection (Lancaster, 2005:65).

Primary versus secondary data
Primary data is data gathered and assembled specifically for the research project at hand (Zikmund, 2001:167). Primary and secondary sources each have strengths and weaknesses. With primary sources, researchers can collect precisely the information they want. Limitation with secondary sources is that the information may not meet one’s specific needs (Cooper & Emory, 1995:241).

Although there are several facets to the design and categorisation of research methodologies a major distinguishing feature between different research methodologies is indeed the different approaches of data collection (Lancaster, 2005:68). Data collection methods include, but not limited to:

- **Observation**, simple observation is the recording of events as observed by an outsider. Participation observation has been found particularly useful for anthropological research and studies of minority groups. Observation as method of data collection has some major limitations; it is costly and time consuming (Bless & Higson-Smith, 1995:106).

- **Self-administered questionnaires**, questionnaires can be mailed and returned at a later time in person or by mail, distributed to a large groups of people in one location at one time, such as in a classroom or at a meeting, or can be sent through email or placed on a web page on the internet (Nardi, 2006:67).
Advantages of Self-Administered questionnaires:
1. They are easily distributed to a large number of people;
2. They are relatively inexpensive to conduct;
3. They allow anonymity; and
4. Yield reliable data with ease and economy

Disadvantages of Self-Administered questionnaires:
1. Usually have a low return-rate;
2. Errors or oversight in the questionnaire cannot be corrected; and
3. Researcher has no way of knowing whether respondents are correctly interpreting the questions

- **Face-to-face interviews in a free format**, these are conducted, approximately, like natural conversation between two people. They are often recorded in full analysis, although the interviewer may take continuous notes, this is difficult to do while concentrating on the management of the interview
   (Sapsford & Jupp, 2006:94).

Advantages of face-to-face interviews,
1. Can clarify the questions, clear doubts; add new questions (Sekaran, 2000:250).
2. Response rates tend to be the highest with face-to-face interviews (Nardi, 2006:70).
Disadvantages of face-to-face interviews,
1. Finding respondents and interviewing them takes more time (Nardi, 2006:70).
2. Respondents might be concerned about the confidentiality of information given (Sekaran, 2000:250).

After weighing the advantages and disadvantages of the different data collection methods discussed in this research study, the researcher used the self-administered questionnaire that was sent through an email to all the eligible respondents. The choice of this particular data collection method was because of the previously discussed advantages. The researcher attempted to overcome the drawbacks of this type of data collection method. The method of improving response rate, as already been discussed in the previous section that talks about determinants of response rate was followed. The researcher worked in the same building as the respondents therefore the researcher was available at times to clarify or answer questions that the respondents had.

4.6. DEVELOPING A QUESTIONNAIRE

The first essential condition in the process of constructing a questionnaire is to decide what information is required and whether the questionnaire is for mail survey, a personal interview survey or a telephone survey (Balsley & Clover, 1988:197).

Cooper & Emory (1995:303) discusses four major decision areas in developing a survey instrument:

- Question content, questions that merely produce interesting information cannot be justified on either economic or research grounds. Each question should contribute significant information toward answering an investigative question;
- Question wording, the vocabulary used must be common to both parties;
- Response structure, the options range from open to closed questions; and
• Question sequence, the first challenge is to awaken the respondent's interest in the study and motivate participation; this is done by choosing questions that are attention getting and not controversial.

Zikmund (2001:315) recommends the following guidelines for a development of questionnaire:

• Avoid complexity, use simple and conventional language. Words used in questionnaires should be readily understandable to all respondents;
• Avoid leading and loaded questions. Asking leading and loaded questions is a major source of bias in question wording;
• Avoid ambiguity, be specific as possible. Items on questionnaire are often ambiguous because they are too general. Consider indefinite words like words such as often, occasionally, usually, regularly, frequently, many, good, fair and poor;
• Avoid double-barreled items. A question covering several issues at once is referred to as double-barreled and should always be avoided;
• Avoid making assumptions. Research that induces people to express attitudes on subjects they do not ordinarily think about is meaningless; and
• Avoid burdensome questions that may tax the respondent's memory. Researchers writing questions about past behaviour or events should recognise that certain questions may make serious demands on the respondent's memory.

The questionnaire that was used in this research study was constructed to meet the criteria specified by Zikmund (2001:315). The researcher also took into account some of the major decision areas pertaining to survey instrument outlined by Cooper & Emory (1995:303).

The versatility of a survey method is its greatest strength. It is an exceptionally practical way to gather opinions, knowledge and behavioural intentions. Its
dependency upon the respondent’s verbal behaviour is its greatest weakness (Cooper & Emory, 1995:321).

4.7. QUESTIONNAIRE COVERING LETTER
Parasuraman cited in Poisat (2006:234) believes that the primary purpose of the covering letter is to win the co-operation of the respondents. They assert that what the covering letter says and how it says can affect response rate. De Baux (2004:12) outlines the contents of the cover letter as follows:

- Request to comply and due date;
- Why the recipient was chosen;
- Who should respond (if specific person not identified);
- Usefulness of the survey;
- Confidentiality statement;
- Contact details for queries and legitimacy;
- Thank you for participation;
- A real signature
- A post script. To communicate instructions if the recipient is out of scope; and
- Stamped return envelope.

In writing the cover letter for the questionnaire the researcher took into account most the suggestion above regarding the content of the covering letter.

4.8. CONCLUSION
It can be observed from this chapter that indeed research design is the plan and structure of investigation so conceived so as to obtain answers to research questions. Despite the fact that the research process that was followed is depicted and discussed in this chapter as if it were a step-by step linear process, the researcher was mindful of the challenges that he faced in executing this study. The next chapter is on analysis of results from the questionnaires that were received back from the respondents.
CHAPTER FIVE
PRESENTATION AND ANALYSIS OF RESULTS

5.1. INTRODUCTION
The aim of this chapter is to present and analyse the biographical information of the respondents, that is section A and C of the questionnaire, as well as section B of the questionnaire. The second objective is to analyse and interpret the data that was obtained during the empirical study. The results of section D of the questionnaire are presented and interpreted, which focus on the key areas of Talent Management. The empirical study was conducted using an electronic mail (email) survey. A survey questionnaire, which served as the measuring instrument, was developed as recommended by Zikmund (2001:315) in the previous chapter and used for this purpose.

5.2. RESPONSE RATE
A covering letter addressed to each respondent together with the questionnaire was sent on the 26 and 27 May 2010 to all seventy-one VWSA Group Service division salaried employees, who were eligible to be surveyed according to the criteria stipulated in the previous chapter. The aim of the letter was to win the cooperation of the respondents and all the respondents were asked to return the fully completed questionnaire by 4 June 2010.

Figure 5.1: Number of employees surveyed

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of employees</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible employees</td>
<td>71</td>
<td>95.95%</td>
</tr>
<tr>
<td>Ineligible employees</td>
<td>2</td>
<td>2.7%</td>
</tr>
<tr>
<td>Unreachable employees</td>
<td>1</td>
<td>1.35%</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td></td>
</tr>
</tbody>
</table>
From chart 5.1 it can be observed that 96 percent of employees surveyed were eligible to be surveyed according to the criteria set by the researcher in chapter four section 4.3.1.

The survey response rate was 63 percent, with one ineligible respondent who has less than a year working experience in the company and the researcher who is ineligible to take part in his own study; the last employee could not be reached because she was on maternity leave. The response rate was calculated as described in chapter four and suggested by Saunders et al (2000:157).

**Figure 5.2: Number of responses received before due date**

<table>
<thead>
<tr>
<th>Number of responses received</th>
<th>Before due date</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of responses received</td>
<td>18</td>
<td>25.35%</td>
</tr>
<tr>
<td>Outstanding</td>
<td>53</td>
<td>74.65%</td>
</tr>
<tr>
<td>Total Eligible</td>
<td>71</td>
<td></td>
</tr>
</tbody>
</table>
Chart 5.2: Number of responses received before due date

Figure 5.3: Number of responses received after due date

<table>
<thead>
<tr>
<th></th>
<th>After due date</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of responses received</td>
<td>45</td>
<td>63.38%</td>
</tr>
<tr>
<td>Outstanding</td>
<td>26</td>
<td>36.62%</td>
</tr>
<tr>
<td>Total Eligible</td>
<td>71</td>
<td></td>
</tr>
</tbody>
</table>

Chart 5.3: Number of responses received after due date
Figure 5.2 and chart 5.2 respectively show that 25 percent of the responses were received before the due date of 4 June 2010 and 75 percent of responses were still outstanding. Figure 5.3 and chart 5.3 respectively show the total number of responses received after the due date, 63 percent response rate. The targeted sample size was 59 out of a population of 71 as explained in chapter four, therefore the targeted response rate was 83 percent. Most follow-ups were done via electronic mail and some were face to face with the respondents. As explained in chapter four on determinants of response rate, the researcher heavily relied on his relationship with the respondents in order to get them to complete and return the survey questionnaire. In the researcher's opinion the significant improvement in the response rate is because the researcher's initial due date was too soon for most respondents.

5.3. ANALYSIS OF RESPONDENTS BIOGRAPHICAL INFORMATION (SECTION ‘A’ OF QUESTIONNAIRE)

Prior reporting on the analysis and discussing the biographical information of the respondents that took part in the survey, it is important to mention that the researcher had the list of all employees working in Group Service division. The list specified name, surname, gender and race of each employee in the division, as well as the level and department where each employee works. The researcher obtained this information from the company's intranet known as VIKI. The only information which the researcher did not know upfront was the highest level of education attained, age as well as the years of working experience of each respondent.

5.3.1. Responses according to gender

Figure 5.4: Number of responses according to gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Responses received</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>35</td>
<td>77.78%</td>
</tr>
<tr>
<td>Female</td>
<td>10</td>
<td>22.22%</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td></td>
</tr>
</tbody>
</table>
From figure 5.4 and chart 5.4 it can be observed that 35 completed questionnaires were from male respondents out of a total of 45 respondents that took part in the survey. Secondly 10 completed questionnaires were from female respondents out of a total of 45 respondents that took part in the survey. Figure and chart 5.4 show the response rate by gender, 78 percent were male respondents and 22 percent were female respondents. This result did not come as a surprise to the researcher as the majority of employees in Group Service division are male.

In chapter four paragraph 4.3.4 the researcher specified the targeted number of male and female respondents, 46 male and 13 female respondents were targeted.
5.3.2. Responses according to age distribution of respondents

Figure 5.5: Age distribution of respondents

<table>
<thead>
<tr>
<th>Age group</th>
<th>Number of response</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>26 – 35 years</td>
<td>19</td>
<td>42.22%</td>
</tr>
<tr>
<td>36 – 45 years</td>
<td>16</td>
<td>35.55%</td>
</tr>
<tr>
<td>46 – 55 years</td>
<td>8</td>
<td>17.77%</td>
</tr>
<tr>
<td>56 – 65 years</td>
<td>2</td>
<td>4.44%</td>
</tr>
</tbody>
</table>

Chart 5.5: Age distribution of respondents

From figure 5.5 and chart 5.5 it can be observed that the number of respondents that took part in the survey were from age group 26 to 35 years, forming 42.22 percent response rate. The next age group is 36 to 45 years with 35.55 percent, then age group 46 to 55 years with 17.77 percent. Lastly is age group 56 to 65 years with 4.44 percent response rate. The respondents that did not complete the questionnaire or took part in the survey, the researcher does not know their age distribution and that made it difficult for the researcher to make inferences on why they did not complete the questionnaire.

There was no response rate targeted by the researcher on age group distribution, since this information was not known up-front by the researcher.
5.3.3. Responses according to race of respondents

Figure 5.6: Race of respondents

<table>
<thead>
<tr>
<th>Race</th>
<th>Number of response</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian</td>
<td>5</td>
<td>11.11%</td>
</tr>
<tr>
<td>African</td>
<td>3</td>
<td>6.67%</td>
</tr>
<tr>
<td>White</td>
<td>18</td>
<td>40.00%</td>
</tr>
<tr>
<td>Coloured</td>
<td>19</td>
<td>42.22%</td>
</tr>
</tbody>
</table>

Chart 5.6: Race of respondents

From figure 5.6 and chart 5.6 it can be observed that the majority of employees according to race that completed and returned the questionnaire are coloured respondents comprising 42.22 percent response rate. The next groups were white respondents with 40 percent, Asian respondents with 11.11 percent and African respondents with 6.67 percent response rate.
5.3.4. Responses according to educational qualifications

Figure 5.7: Respondents education level

<table>
<thead>
<tr>
<th>Qualification level</th>
<th>Number of response</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed Secondary</td>
<td>4</td>
<td>8.89%</td>
</tr>
<tr>
<td>Trade qualification</td>
<td>13</td>
<td>28.90%</td>
</tr>
<tr>
<td>Some college or university studies</td>
<td>7</td>
<td>15.56%</td>
</tr>
<tr>
<td>Completed degree or diploma</td>
<td>19</td>
<td>42.22%</td>
</tr>
<tr>
<td>Completed post graduate qualifications</td>
<td>2</td>
<td>4.44%</td>
</tr>
</tbody>
</table>

Chart 5.7: Respondents education level

From figure 5.7 and chart 5.7 it can be observed that the majority of respondents, 42.22 percent response rate have completed a degree or diploma. Followed by 28.89 percent of respondents who have completed trade qualification, 15.56 percent have some college or university studies, 8.89 percent have completed secondary and 4.44 percent have completed postgraduate qualifications.

There was no response rate targeted by education level, since this information was not known up-front by the researcher.
5.4. ANALYSIS OF RESPONDENT’S ATTITUDE TOWARDS 1:10:100 BY 2010 STRATEGIC OBJECTIVES (SECTION ‘B’ OF QUESTIONNAIRE)

In chapter three paragraph 3.5.1 on employee engagement and commitment, Becker, Huselid & Ulrich (2001:7) explain that employee attitude drive not just customer service but also turnover, they also assert that an ability to see the connection between employees work and the company strategic objectives is a driver of positive behaviour. The research finding on section B of the questionnaire depicts the employee’s attitude towards the company’s 2010 strategy.

5.4.1. Section B

a) Respondents extent of understanding of VWSA’s 1:10:100 by 2010 Strategic Objectives, is shown in figure 5.8 below.

Figure 5.8 Respondents extent of understanding of the Strategy

From figure 5.8 above it can be observed that 77 percent of respondents understand VWSA’s 1:10:100 by 2010 strategic objectives, and these respondents extent of understanding varies from ‘great to very great extent’. Only
14 percent of the respondents understanding of 1:10:100 by 2010 that varies from 'small to very small extent'. The rest of the respondents, that form 9 percent, understand 1:10:100 by 2010 strategic objectives only to some extent. On this question the mean is 2.04 and standard deviation 1.17, this indicates the respondents understand the 1:10:100 by 2010 strategy to a great extent. The standard deviation of 1.17 tells the researcher the respondents spread or dispersion on answering this question.

b) Respondent's extent of excitement about VWSA's 1:10:100 by 2010 Strategic Objectives, is shown in figure 5.9 below.

Figure 5.9 Respondents extent of excitement about the Strategy

From figure 5.9 above it can be observed that 64 percent of respondents are excited about VWSA's 1:10:100 by 2010 Strategic objectives, and these respondents extent of excitement varies from 'great to very great extent'. Only 20 percent of the respondents whose excitement about 1:10:100 by 2010 varies from 'small to very small extent'. The rest of the respondents that form 16 percent are excited about the 1:10:100 by 2010 strategic objectives only to some extent.
On this question the mean is 2.27 and standard deviation 1.21, this indicates the respondents are excited about the 1:10:100 by 2010 strategy to a **great extent**. The standard deviation of 1.21 tells the researcher the respondents spread or dispersion on this question is more than the previous question.

c) Respondent’s extent of belief that VWSA will achieve Project 1 in 1:10:100 by 2010 Strategic Objectives is shown in figure 5.10 below.

**Figure 5.10** Respondents belief that Project 1 will be achieved

![Figure 5.10](image)

From figure 5.10 above it can be observed that 48 percent of respondents believe that VWSA’s Project 1 will be achieved by end 2010, and these respondents belief varies from ‘great to very great extent’. Only 18 percent of the respondents who believe from ‘small to very small extent’ that Project 1 will be achieved. The rest of the respondents that form 34 percent believe to some extent that Project 1 will be achieved. On this question the mean is 2.60 and standard deviation 0.89, this indicates the respondents believe that the 1:10:100 by 2010 strategy will be achieved to a **great extent**. Interestingly on this question is that, 34 percent of respondents are neutral on their belief. The standard deviation of 0.89 tells the researcher the respondents spread or dispersion on answering this question is the least of all.
d) Respondents extent of belief that their work makes a real contribution towards achieving Project 1 in 1:10:100 by 2010 Strategic Objectives is shown in figure 5.11 below.

**Figure 5.11:** Respondents belief that their work contributes in achieving Project 1

From figure 5.11 above it can be observed that 59 percent of respondents believe that their work makes a real contribution towards achieving VWSA Project 1 by 2010, and these respondents belief varies from ‘great to very great extent’. Only 16 percent of the respondents who believe from ‘small to very small extent’ that their work makes a real contribution towards achieving Project 1 by 2010. The rest of the respondents that form 25 percent believe only to some extent that their work makes a real contribution towards achieving Project 1 by 2010. On this question the mean is 2.29 and standard deviation 1.10, this indicates the respondents believe to a **great extent** that their work makes a real contribution towards the 1:10:100 by 2010 strategy.

e) Respondents extent of pride in telling outside people about VWSA’s Project 1 in 1:10:100 by 2010 Strategic Objectives is shown in figure 5.12 below.
From figure 5.12 above it can be observed that 55 percent of respondents are proud to tell outside people about VWSA Project 1, this varies from ‘great to very great extent’. Only 25 percent of the respondents who are proud in telling outside people about Project 1 vary from ‘small to very small extent’. The rest of the respondents, that form 20 percent, are only proud to some extent in telling outside people about VWSA Project 1. On this question the mean is 2.47 and standard deviation 1.38, this indicates the respondents to a great extent are excited to tell outside people about the company’s strategy.

In conclusion the respondent’s attitude towards the company strategy can be described as positive. However it should be noted that the question that had the highest mean (mean = 2.60) and the least standard deviation (standard deviation = 0.89) was the third question, that is the question on whether the respondents believe the organisation will achieve Project 1 in 1:10:100 by 2010. The high mean on this question indicates that this is the only question that had the least positive answer, but with least widely dispersed answer, than any other question posed to the respondents on this section B.
5.5. ANALYSIS OF RESPONDENTS JOB INFORMATION (SECTION ‘C’ OF QUESTIONNAIRE)

This section of the analysis looks at the job information of the respondents that took part in the survey. That is the departments where respondents work within Group Service division, as well as years of experience in the company and level of management within the division.

Figure 5.13: Respondents years of experience in the company

<table>
<thead>
<tr>
<th>Years of experience</th>
<th>Number of response</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 - 4 years</td>
<td>16</td>
<td>35.56%</td>
</tr>
<tr>
<td>5 - 10 years</td>
<td>10</td>
<td>22.22%</td>
</tr>
<tr>
<td>6 - 15 years</td>
<td>6</td>
<td>13.33%</td>
</tr>
<tr>
<td>16 - 20 years</td>
<td>3</td>
<td>6.67%</td>
</tr>
<tr>
<td>21 - 30 years</td>
<td>7</td>
<td>15.56%</td>
</tr>
<tr>
<td>31 years and above</td>
<td>3</td>
<td>6.67%</td>
</tr>
</tbody>
</table>

Chart 5.8: Respondents years of experience in the company
From figure 5.13 and chart 5.8 above it can be observed that the majority of respondents 35 percent fall within the 0 to 4 years working experience in the company, followed by 22 percent of respondents who fall within the 5 to 10 years working experience. Respondents with 6 to 15 years and 21 to 30 years working experience are tied at 14 percent response rate each group. Lastly, respondents with 16 to 20 years and 31 years and above working experience are also tied at 7 percent response rate each group.

There was no response rate targeted by years of working experience, since this information was not known up-front by the researcher.

Figure 5.14: Respondents level of management within the division

<table>
<thead>
<tr>
<th>Level of Management</th>
<th>Number of response</th>
<th>Response Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>2</td>
<td>4.44%</td>
</tr>
<tr>
<td>Staff</td>
<td>36</td>
<td>80.00%</td>
</tr>
<tr>
<td>Supervisor</td>
<td>7</td>
<td>15.55%</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>100%</td>
</tr>
</tbody>
</table>

Chart 5.9: Respondents level of management within the division
From figure 5.14 and chart 5.9 above it can be observed that the majority of respondents that took part in the survey are staff employees with 80.00 percent response rate, followed by supervisors with 15.56 percent and lastly managers with 4.44 percent response rate.

In chapter four paragraphs 4.3.4 the researcher specified that he targeted 3 manager respondents out of 4 managers that are available in the division, also 9 supervisor respondents were targeted as well as 34 staff respondents. The researcher exceeded his target on staff respondents and this in the opinion of the researcher is because of the easy access the researcher has to staff employees compared to management employees.

![Figure 5.15: Responses by department](image)

<table>
<thead>
<tr>
<th>Department</th>
<th>Number of responses</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warranty</td>
<td>24</td>
<td>53.33%</td>
</tr>
<tr>
<td>TSC</td>
<td>13</td>
<td>28.89%</td>
</tr>
<tr>
<td>Back-office</td>
<td>1</td>
<td>2.22%</td>
</tr>
<tr>
<td>Service Marketing</td>
<td>4</td>
<td>8.89%</td>
</tr>
<tr>
<td>CIC</td>
<td>1</td>
<td>2.22%</td>
</tr>
<tr>
<td>Parts return centre</td>
<td>2</td>
<td>4.44%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

![Chart 5.10: Responses by department](image)

- Warranty: 54%
- TSC: 29%
- Back-office: 9%
- Service Marketing: 2%
- CIC: 2%
- Parts return centre: 4%
From figure 5.15 and chart 5.10 above it can be observed that most respondents were from the Warranty department with 54 percent response rate, followed by Technical support centre with 29 percent response rate, then Service marketing with 9 percent response rate. Customer interaction centre and the back office for training and dealer support each have a 2 percent response rate.

There are more employees in the Warranty department than any department in Group Service division, hence 54 percent response rate in the Warranty department.

5.6. ANALYSIS AND INTERPRETATION OF TALENT MANAGEMENT PROCESS (SECTION ‘D’ OF QUESTIONNAIRE)

As already mentioned in the opening paragraph of this chapter the purpose of this section is to analyse, present and interpret the results of section D of the questionnaire which addresses the key areas of Talent Management. Before presenting the results, it is imperative to discuss the steps the researcher took in ensuring that the data was ready for processing.

**Data Cleaning**

The objective of data cleaning is to identify omissions and errors in the responses. Thus data cleaning aims at avoiding errors in the data matrix questionnaires both during and immediately after the collection of the data (Diamantopoulos & Schlegelmilch, 2000:40). The researcher conducted a self-administered questionnaire because of its advantages as well as the anticipated time constraints during the research. The disadvantages of the self-administered questionnaire as already outlined in chapter four are:

- Errors or oversight in the questionnaire cannot be corrected; and
- Researcher has no way of knowing the respondents are correctly interpreting the questions (Mitchell & Jolley, 1992:456).
The above disadvantages meant that the researcher could not avoid all errors during the collection of the data stage; the errors were only discovered after the collection of data or questionnaires were received from the respondents. To counter the above mentioned short-coming the researcher had to perform what is referred to as central office editing. Central office editing is only a second best alternative to field edit in that the researcher has to deal with ambiguous, inconsistent or missing data without being able to clarify the problem with the appropriate respondent (Diamantopoulos & Schlegelmilch, 2000:40).

**Data Coding**

Section D of the questionnaire was developed according to the Likert-type scale. For each question respondents had to indicate whether they strongly agree, agree, uncertain, disagree and strongly disagree. Numeric values ranging from one for (strongly agree) to five for (strongly disagree) were built-in the questionnaire. All questions that were left unanswered by the respondents were coded by the numeric value nine in the data matrix. A data matrix and code book was developed as recommended by (Diamantopoulos & Schlegelmilch, 2000:43). The function of the code book was to serve the following purpose:

- Reference back to the source date; and
- Identification of the column location of the variable within the matrix (Sapsford & Jupp, 2006:163).

The research results in section D are presented in table format in the same sequence as the questions appear in the questionnaire. Data was processed and results generated using SPSS (Statistical Package for Social Sciences). Mr. Emmanuel Mufunda a statistician from Damelin assisted with SPSS.
5.6.1. Training and development

Table 5.1 indicates the means and standard deviations of each statement on training and development which influence or promote employee Talent management.

Table 5.1. Means and standard deviations for the influence training and development have on employee Talent Management.

<table>
<thead>
<tr>
<th>TRAINING AND DEVELOPMENT</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have no firm grasp of the areas in which I need development</td>
<td>45</td>
<td>3.38</td>
<td>1.32</td>
</tr>
<tr>
<td>I believe talent pools within a company provide a reliable source of talent</td>
<td>45</td>
<td>2.18</td>
<td>0.75</td>
</tr>
<tr>
<td>I believe talent pools make it easier to train and develop reliable skills</td>
<td>43</td>
<td>2.16</td>
<td>0.72</td>
</tr>
<tr>
<td>I have no problem sharing development cost with my company</td>
<td>44</td>
<td>2.30</td>
<td>0.93</td>
</tr>
<tr>
<td>I will leave the company after my development in the company is completed</td>
<td>43</td>
<td>3.74</td>
<td>1.26</td>
</tr>
</tbody>
</table>

The aggregate mean calculated from table 5.1 is 2.75 and the aggregate standard deviation is 0.99. Before discussing what the mean and standard deviation reveal in the context of the above measure variable, it is important to understand the definition of mean and standard deviation.

The mean is the sum of all observations divided by the number of observations and dispersion refers to the degree of variation in the data, that is numerical spread (or compactness) of the data. The measure of dispersion is the standard deviation, which is defined as the square root of the variance (Evans, 2007:56).

The aggregate mean of 2.75 and aggregate standard deviation of 0.99 reveal that the respondents agree that training and development statements contained in table 5.1 influence or promote employee talent management. Interestingly, *leaving the company after the development is completed* received the highest mean (mean = 3.74 and standard deviation = 1.26), this indicates that the
respondents that rated this statement are uncertain to almost disagree with the statement. *Belief that talent pools make it easier to train and develop reliable skills*, is the statement that had the least mean (mean = 2.16 and standard deviation = 0.72) that indicates the respondents agree to the statement. The standard deviation of 0.72 tells the researcher that the respondents are least dispersed on their rating of this statement than any of the statements made under this variable.

### 5.6.2. Employee compensation

Table 5.2 indicates the means and standard deviations of each statement on employee compensation which influence or promote employee Talent management.

**Table 5.2.** Means and standard deviations for the influence employee compensation have on employee Talent Management.

<table>
<thead>
<tr>
<th>EMPLOYEE COMPENSATION</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I believe my compensation reflects my relative value in the organisation.</td>
<td>45</td>
<td>2.42</td>
<td>1.03</td>
</tr>
<tr>
<td>I am committed to the organisation regardless of my compensation.</td>
<td>44</td>
<td>2.23</td>
<td>0.99</td>
</tr>
<tr>
<td>I am more concerned about developing my own career than assisting in the development of this organisation.</td>
<td>45</td>
<td>3.89</td>
<td>0.78</td>
</tr>
<tr>
<td>I have no idea of my comparative worth within the labour market.</td>
<td>44</td>
<td>3.48</td>
<td>1.05</td>
</tr>
</tbody>
</table>

The aggregate mean calculated from table 5.2 is 3.01 and aggregate standard deviation of 0.96 reveals that the respondents are uncertain that employee compensation influence or promotes talent management. *I am more concerned about developing my own career than assisting in the development of this organisation* had the highest mean (mean = 3.89 and standard deviation = 0.78) this indicates the respondents are uncertain to almost disagree with the statement made. The standard deviation of 0.78 tells the researcher that the
respondents are least dispersed on their rating of this statement than any of the statements made under this variable. *I am committed to the organisation regardless of my compensation* had the least mean (mean = 2.23 and standard deviation = 0.99) this indicates the respondents agreed with the statement.

5.6.3. Organisational culture

Table 5.3 indicates the means and standard deviations of each statement on organisational culture which influence or promote employee Talent management.

**Table 5.3** Means and standard deviations for the influence organisational culture have on employee Talent Management.

<table>
<thead>
<tr>
<th>ORGANISATIONAL CULTURE</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I will stay in the company because of the organisational culture.</td>
<td>45</td>
<td>2.47</td>
<td>0.99</td>
</tr>
<tr>
<td>I do not believe organisational culture can make me feel connected to the organisation.</td>
<td>45</td>
<td>3.76</td>
<td>0.88</td>
</tr>
<tr>
<td>I see my manager as a living embodiment of the organisational culture.</td>
<td>45</td>
<td>2.24</td>
<td>0.86</td>
</tr>
<tr>
<td>I am working in the organisation that helps me balance the demands of my work and that of my family.</td>
<td>44</td>
<td>2.36</td>
<td>0.77</td>
</tr>
</tbody>
</table>

The aggregate mean calculated from table 5.3 is 2.70 and aggregate standard deviation of 0.88. This reveals that the respondents agree with statements on table 5.3 that organisational culture influence or promotes talent management. *I do not believe organisational culture can make me feel connected to the organisation* had the highest mean (mean = 3.76 and standard deviation = 0.88), this indicates that the respondents are uncertain to almost disagree with the statement made. The standard deviation of 0.88 on this statement tells the researcher the respondents rating of this statement is equally dispersed as that of the aggregate mean. *I see my manager as a living embodiment of the organisational culture* had the lowest mean (mean = 2.24 and standard deviation = 0.86) this indicates the respondents agree that they see the manager as the living embodiment of the organisational culture.
5.6.4. Leadership style

Table 5.4 indicates the means and standard deviations of each statement on leadership style which influence or promote employee Talent management.

Table 5.4 Means and standard deviations for the influence leadership style have on employee Talent Management.

<table>
<thead>
<tr>
<th>LEADERSHIP STYLE</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have no authority at all in my work.</td>
<td>45</td>
<td>4.02</td>
<td>0.72</td>
</tr>
<tr>
<td>I do things as I see fit without leadership interference.</td>
<td>45</td>
<td>3.04</td>
<td>1.13</td>
</tr>
<tr>
<td>I get a great deal of authority from my leader.</td>
<td>45</td>
<td>2.36</td>
<td>0.93</td>
</tr>
</tbody>
</table>

The aggregate mean calculated from table 5.4 is 3.14 and aggregate standard deviation of 0.93. This reveals that the respondents are uncertain with statements made on table 5.4 that leadership style influence or promotes talent management. *I have no authority at all in my work* had the highest mean (mean = 4.02 and standard deviation = 0.72) this indicates the respondents disagree with this statement. The standard deviation of 0.72 tells the researcher that the respondents are least dispersed on their rating of this statement than any of the statements made under this variable. *I get a great deal of authority from my leader* received the least mean (mean = 2.36 and standard deviation = 0.93) this indicates the respondents agree with this statement. This makes logical sense as the respondents disagree with the first statement that says ‘*I have no authority at all in my work*’. 
5.6.5. Employee engagement

Table 5.5 indicates the means and standard deviations of each statement on employee engagement which influence or promote employee Talent management.

Table 5.5 Means and standard deviations for the influence employee engagement have on employee Talent Management.

<table>
<thead>
<tr>
<th>EMPLOYEE ENGAGEMENT</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>I do see the connection between my work and the company’s Project 1 in the 1:10:100 by 2010.</td>
<td>45</td>
<td>1.78</td>
<td>0.64</td>
</tr>
<tr>
<td>I do identify with my job at personal level.</td>
<td>45</td>
<td>1.87</td>
<td>0.59</td>
</tr>
<tr>
<td>I have not been provided with the basic materials to do my job.</td>
<td>45</td>
<td>3.73</td>
<td>1.30</td>
</tr>
<tr>
<td>I do not have a good idea of what my company is trying to achieve by 2010.</td>
<td>45</td>
<td>4.07</td>
<td>1.25</td>
</tr>
<tr>
<td>I have full trust in my manager.</td>
<td>45</td>
<td>1.96</td>
<td>0.82</td>
</tr>
<tr>
<td>I do receive regular feedback from my manager regarding my functioning in the organisation.</td>
<td>45</td>
<td>1.78</td>
<td>0.70</td>
</tr>
</tbody>
</table>

The aggregate mean calculated from table 5.5 is 2.53 and aggregate standard deviation of 0.88. This reveals that the respondents agree with statements on table 5.5 that employee engagement influence or promotes talent management. 

*I do not have a good idea of what my company is trying to achieve by 2010* had the highest mean (mean = 4.07 and standard deviation = 1.25) this indicates the respondents disagree with the statement. The standard deviation of 1.25 tells the researcher that the respondents are fairly dispersed on their rating of this statement. *I do see the connection between my work and the company’s Project 1 in the 1:10:100 by 2010* had the lowest mean (mean = 1.78 and standard deviation = 0.64) this indicates the respondents strongly agree with the statement and the dispersion of their rating on this statement is least of all statements under this variable.
5.7. RELIABILITY AND VALIDITY OF THE RESULTS

Reliability is concerned with the presentation of the data. The representation of the sample affects the reliability of the research results (Mullins, 1994:98). Validity is concerned with whether the research actually measures what it tends to (Mullins, 1994:98).

Overall, Cronbach’s Alpha coefficient of reliability is 0.6 based on standardised items. This means the questionnaire will yield the same results in different occasions and will produce similar observations when administered on different assertions. This further means the measurement instrument is 60% accurate and there is only 40% measurement error on the items. The data collection instrument has some degree of internal consistency. Since reliability is a prerequisite for validity it implies all other things being equal the study was valid.

5.8. COMPARISON OF MEANS AND STANDARD DEVIATIONS OF THE VARIABLES THAT INFLUENCE OR PROMOTE TALENT MANAGEMENT

Table 5.6 shows the aggregate means and standard deviation of the variable that influence or promote talent management.

<table>
<thead>
<tr>
<th>TALENT MANAGEMENT PROCESS</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training and development</td>
<td>45</td>
<td>2.75</td>
<td>0.99</td>
</tr>
<tr>
<td>Employee compensation</td>
<td>45</td>
<td>3.01</td>
<td>0.96</td>
</tr>
<tr>
<td>Organisational culture</td>
<td>45</td>
<td>2.70</td>
<td>0.88</td>
</tr>
<tr>
<td>Leadership style</td>
<td>45</td>
<td>3.14</td>
<td>0.93</td>
</tr>
<tr>
<td>Employee engagement</td>
<td>45</td>
<td>2.53</td>
<td>0.88</td>
</tr>
</tbody>
</table>

The analysis of the aggregate means and standard deviations of the variables that influence or promote Talent management, reveal that the respondents agree with only three of the variables, that is training and development variable, organisational culture and employee engagement variable. This analysis also reveals that the respondents were uncertain on two variables, which is employee compensation and leadership style. The variable that has the lowest aggregate mean and standard deviation is employee engagement with mean of 2.53
indicating this is the variable respondents most agree with a reasonably narrow spread of 0.88.

5.9. CONCLUDING REMARKS

In this chapter the researcher analysed, presented and interpreted the findings of the research from biographical information of the respondents, attitude of respondents towards the company strategy as well as the variables that respondents deem to influence talent management.

The analysis of the respondents attitude towards the 1:10:100 by 2010 strategy reveals that the strategy was well received by the respondents, with each question on attitude having a mean of less than three indicating that to a great extent the strategy was well received. However one of the concerning findings of this research analysis is that the respondents of all the questions posed on their attitude towards the 2010 strategy, the question with the highest mean and least standard deviation is on whether the respondents believe the company will achieve Project 1 by 2010 (mean = 2.60 and standard deviation = 0.89). This is concerning, as explained in chapter two the company has an objective of being number one in customer service in the South African motor industry by end of 2010 and VWSA Group Service division employees have a huge role in ensuring this objective is achieved.

It is also interesting to see that the variable with the least aggregate mean and standard deviation on talent management is employee engagement; this reveals of all the variables under talent management, employee engagement is the variable the respondents agree with the most and with least spread of results. In chapter three paragraphs 3.5.1 Cascio & Boudreaux (2008:129) assert that employee engagement promotes positive service climate and customer loyalty.
In the next chapter, the researcher will focus on the problems and limitations of the study, recommendations and final concluding remarks.
6.1. INTRODUCTION
In this chapter the researcher will mainly focus on solutions to the main problems and sub-problems. In this chapter the limitations of the research are discussed as well as the recommendations and final concluding remarks.

6.2. RESOLUTION OF THE MAIN PROBLEM
The main problem identified in this study was:

VWSA Group Service division’s use of employee talent management to influence a positive outcome of the 2010 strategy.

The following were the sub-problems to the main problem:

- What does the literature reveal regarding talent management and organisational strategy implementation?
- What are the employee perceptions regarding talent management and 2010 Strategy? and
- What is the level of employee engagement and commitment to the organisation?

Sub-problem one was discussed in detail in chapter two, where the researcher discussed talent management in detail, as well various recruiting strategies and employee retention strategies, which are crucial in talent management.

Sub-problem two and three was dealt with in chapter five, in the analysis and interpretation of results received from the respondents in section ‘D’ of the questionnaire. The conclusion of the third sub-problem was further discussed in
the last paragraph of chapter five. Therefore the findings of the aforementioned sub-problems provide or lay a path to the answer of the main problem.

6.3. PROBLEMS AND LIMITATIONS
The single biggest problem the researcher encountered during this study were the respondents who were concerned about the anonymity of their answers, even though the researcher promised not to disclose their answers to anyone in the division or the company. This led to some of the employees not returning the questionnaire back to the researcher.

6.4. SUMMARY OF FINDINGS OF THE RESEARCH
It is from the summary of the research findings that the research will be able to make recommendations to the division.

**Employee understanding of the 2010 strategy:** the results discussed in chapter five particularly 5.4.1a, where 77 percent of respondents surveyed indicated that they understand the 2010 strategy from ‘great extent to very great extent’.

**Employee belief that Project 1 will be achieved by end of 2010:** the results discussed in chapter five, reveal that only 48 percent of the respondents surveyed believe that Project 1 will be achieved by end of 2010.

**Employee belief that their work contributes towards Project 1:** the results discussed in chapter five, reveal that only 59 percent of the respondents surveyed believed that they work contributes towards Project 1.

Section D of the questionnaire revealed the following findings:

The results on table 5.6 in chapter five reveal that most respondents are uncertain that employee compensation and leadership style form part of talent
management. The elements of talent management that the respondents agreed with were organisational culture, training and development and employee engagement.

6.5. RECOMMENDATIONS
The recommendations are based on the results discussed in chapter five and the literature reviewed in chapter three.

1. Conduct an employee skills gap analysis, particularly skills that are required for employees to possess in order to meet the objectives of project 1. This will help build employees confidence and belief that project 1 will be achieved by end of 2010.

2. Clearly define each department's role in helping achieve the objectives of Project 1. The job role of each employee’s contribution towards achieving Project 1 should be continuously communicated and reflected on employee’s job description.

3. Identify competencies and other success criteria which the division will require to achieve Project 1 in the 2010 strategy.

4. The division should establish talent pools from which to recruit high talented staff whose skills will be required in order to meet the objectives of project 1. In table 5.1 employees indicated that they agree with the idea of talent pools.

5. The division should request employees to share development costs in order to curb any anticipated attrition after the development of the employee is completed. In table 5.1 employees indicated not having a problem sharing development costs.
6. The division should conduct a SWOT analysis to establish the strong points and weak points as well as the external opportunities. This will help the division to assess whether the objectives of project 1 are realistic enough for the division to achieve. If there are any weaknesses found necessary adjustments should be made.

6.6. CONCLUDING REMARKS

Customers today are more demanding and discerning, providing good service is not enough. The goal should be to exceed customer expectations. It is the opinion of the researcher that business can no longer compete on product innovation alone, excellent customer service is quickly becoming the key determinant of staying in business.

It is for this reason that employee talent management is a business imperative instead of an HR issue like in the past. In a service business people are the most important asset and hence general people management is essential if the business is to achieve its objectives.

Business strategy is something that should not be kept in big files in the manager’s office, but something that the employees leave, breathe and eat daily. Therefore business strategy should be clearly communicated, should be understood by all and should be visible. When the lowest ranked employee in the business is able to understand and tell others about the company strategy and what his/her role is on that strategy, then this could be used as the measure that the company has done well in selling its business strategy to its employees.

Different people are motivated by different things as already alluded in the motivation section on chapter three, therefore taking an interest in employee’s career and life is essential. It is from knowing each employee that a manager is
able to provide an incentive that will be of interest to the employee, what is essential is for the incentive to be linked to performance.
6.7. LIST OF SOURCES


Bantam, H. 2009. Much accomplished, but much more to do. VWSA Fanfare, volume 3, no. 3.


Diamantopoulos, D. & Schlegelmilch, B. Taking the fear out of data analysis. London: Thomson.


http://www.vwsa.co.za [accessed 8 February 2010].


APPENDIX ‘A’ – COVERING LETTER

27 May 2010
103 Algoa Road
Uitenhage

Dear Michael

I would like to ask for your help in investigating the possible influence of group service employee talent management strategy on the company’s 2010 strategic objectives, specifically project 1 in the 1:10:100 by 2010 company objectives.

The research survey is part of the requirement to complete a Master’s degree in Business Administration (MBA), and is intended only for this purpose and nothing else. The research survey is limited to only Uitenhage based Group Service division employees; this is the reason why you have been chosen to take part in the survey.

Your answers to this survey will remain completely confidential, meaning they will not be shared with anyone at VWSA. Results will be presented as summaries in the treatise and individual respondents will not be able to be identified. You can return the fully completed questionnaire by email or physically handing it in to the researcher. In order for the researcher to make accurate conclusions or make accurate inferences in the treatise the survey has to be fully completed. This survey is voluntary. However, I would appreciate you taking sometime to fill in the questionnaire.

If you have any questions about the survey, then please contact myself on 041 994 5478 or 074 423 6267 or piti@vwsa.co.za

I would like to thank you in advance for your time and consideration.

Sincerely

Mr. Mfundo Piti
### SECTION A – DEMOGRAPHIC INFORMATION

Please supply the following information by marking with “X” in the appropriate box.

1. **What is your gender?**

<table>
<thead>
<tr>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
</table>

2. **What is your race?**

   | Asian |  | African |  | White |  | Coloured |  |

3. **What is your age in years?**

   | 18 – 25 years |  | 26 – 35 years |  | 36 – 45 years |  | 46 – 55 years |  | 56 – 65 years |  |

4. **What is the level of education that you have completed?**

   | Completed secondary |  | Trade qualification |  | Some college or university studies |  | Completed degree or diploma |  | Completed post graduate qualifications |  |
SECTION B – STRATEGIC OBJECTIVE 1:10:100 BY 2010

On a scale from 1 to 5, where 1 is the highest and 5 is the lowest, please mark with “X” the answer that best describes your opinion:

1 – to a very great extent
2 – to great extent
3 – to some extent
4 – to a small extent
5 – to a very small extent

a. To what extent do you understand VWSA’s 1:10:100 by 2010 strategic objectives?


b. To what extent does the 1:10:100 by 2010 strategic objective excite you?


c. To what extent do you believe the organisation will achieve Project 1 in 1:10:100 by 2010 strategy?


d. To what extent do you believe your work makes a real contribution towards the achievement of Project 1 in the 1:10:100 by 2010 strategy?


e. To what extent are you proud to tell people about the strategic objectives (Project 1, 2010) of the organisation in which you work?


SECTION C – CURRENT JOB INFORMATION

1. How long have you been employed at Volkswagen of South Africa?

<table>
<thead>
<tr>
<th>Duration</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0 – 4 years</td>
<td></td>
</tr>
<tr>
<td>5 – 10 years</td>
<td></td>
</tr>
<tr>
<td>6 – 15 years</td>
<td></td>
</tr>
<tr>
<td>16 – 20 years</td>
<td></td>
</tr>
<tr>
<td>21 – 30 years</td>
<td></td>
</tr>
<tr>
<td>31+ years</td>
<td></td>
</tr>
</tbody>
</table>

2. What level of management are you?

<table>
<thead>
<tr>
<th>Management Level</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Manager</td>
<td></td>
</tr>
<tr>
<td>Manager</td>
<td></td>
</tr>
<tr>
<td>Supervisor</td>
<td></td>
</tr>
<tr>
<td>Staff</td>
<td></td>
</tr>
</tbody>
</table>

3. In which section of VWSA Group Service division do you work?

<table>
<thead>
<tr>
<th>Section</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Warranty department</td>
<td></td>
</tr>
<tr>
<td>Technical Support Centre</td>
<td></td>
</tr>
<tr>
<td>Back-office (Technical Support)</td>
<td></td>
</tr>
<tr>
<td>Service Marketing</td>
<td></td>
</tr>
<tr>
<td>Customer Interaction Centre (CIC)</td>
<td></td>
</tr>
<tr>
<td>Parts return centre</td>
<td></td>
</tr>
</tbody>
</table>
SECTION D – TALENT MANAGEMENT PROCESS

Please indicate how strongly you agree or disagree with the following statements by marking “X” under the number that best represents your opinion.

<table>
<thead>
<tr>
<th>No.</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Uncertain</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>D1- Training and development</strong></td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>I have no firm grasp of the areas in which I need development.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>I believe &quot;talent pools&quot; within a company provide a reliable source of talent.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>I believe &quot;talent pools&quot; make it easier to train and develop desirable skills.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4</td>
<td>I have no problem sharing development costs with my company.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.5</td>
<td>I will leave the company after my development in the company is complete.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>D2- Employee compensation</strong></td>
<td>1 2 3 4 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>I believe my compensation reflects my relative value in the organisation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2</td>
<td>I am committed to the organisation regardless of my compensation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.3</td>
<td>I am more concerned about developing my own career than assisting in the development of this organisation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td>I have no idea of my comparative worth within the labour market.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### D3- Organisational culture

<table>
<thead>
<tr>
<th>3.1</th>
<th>I will stay in the company because of the organisational culture.</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2</td>
<td>I do not believe organisational culture can make me feel connected to the organisation.</td>
</tr>
<tr>
<td>3.3</td>
<td>I see my manager as a living embodiment of the organisational culture.</td>
</tr>
<tr>
<td>3.4</td>
<td>I am working in the organisation that helps me balance the demands of my work and that of my family.</td>
</tr>
</tbody>
</table>

### D5- Leadership style

<table>
<thead>
<tr>
<th>5.1</th>
<th>I have no authority at all in my work.</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.2</td>
<td>I do things as I see fit without leadership interference.</td>
</tr>
<tr>
<td>5.3</td>
<td>I get a great deal of authority from my leader.</td>
</tr>
</tbody>
</table>

### D6- Employee engagement

<table>
<thead>
<tr>
<th>6.1</th>
<th>I do see the connection between my work and the company’s Project 1 in the 1:10:100 by 2010.</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2</td>
<td>I do identify with my job at personal level.</td>
</tr>
<tr>
<td>6.3</td>
<td>I have not been provided with the basic material to do my job.</td>
</tr>
<tr>
<td>6.4</td>
<td>I do not have a good idea of what my company is trying to achieve by 2010.</td>
</tr>
<tr>
<td>6.5</td>
<td>I have full trust in my manager.</td>
</tr>
<tr>
<td>6.6</td>
<td>I do receive regular feedback from my manager regarding my functioning in the organisation.</td>
</tr>
</tbody>
</table>

**THANK YOU FOR COMPLETING THIS QUESTIONNAIRE**